



HUE TEXTILE GARMENT JOINT STOCK COMPANY

ANNUAL REPORT 2024



HUE TEXTILE GARMENT JOINT STOCK COMPANY

Address: 122 Duong Thieu Tuoc, Thuy Duong Ward, Huong Thuy Town, Hue, Vietnam

Garment Factory 4: Phu Da Industrial Park, Phu Vang District, Hue

Quang Binh Branch: Cam Lien Industrial Park, Le Thuy District, Quang Binh Province

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PROSPERITY FOR CUSTOMERS - THRIVING FOR COMPANY - MUTUAL BENEFITS

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PROSPERITY FOR CUSTOMERS - THRIVING FOR COMPANY - MUTUAL BENEFITS

PART

01

GENERAL INFORMATION

- 01 Overview of the Company
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HUE TEXTILE GARMENT JOINT STOCK COMPANY

| | |
|-----------------------------------|---|
| Name of company | : HUE TEXTILE GARMENT JOINT STOCK COMPANY |
| Abbreviation | : HUEGATEX |
| Stock Code | : HDM |
| Exchange | : UPCOM |
| Business Registration Certificate | : No. 3300100628 first issued on November 17, 2005, 9th amendment issued on January 4, 2025 |



Charter capital (VND)
200,962,590,000

Contact Info



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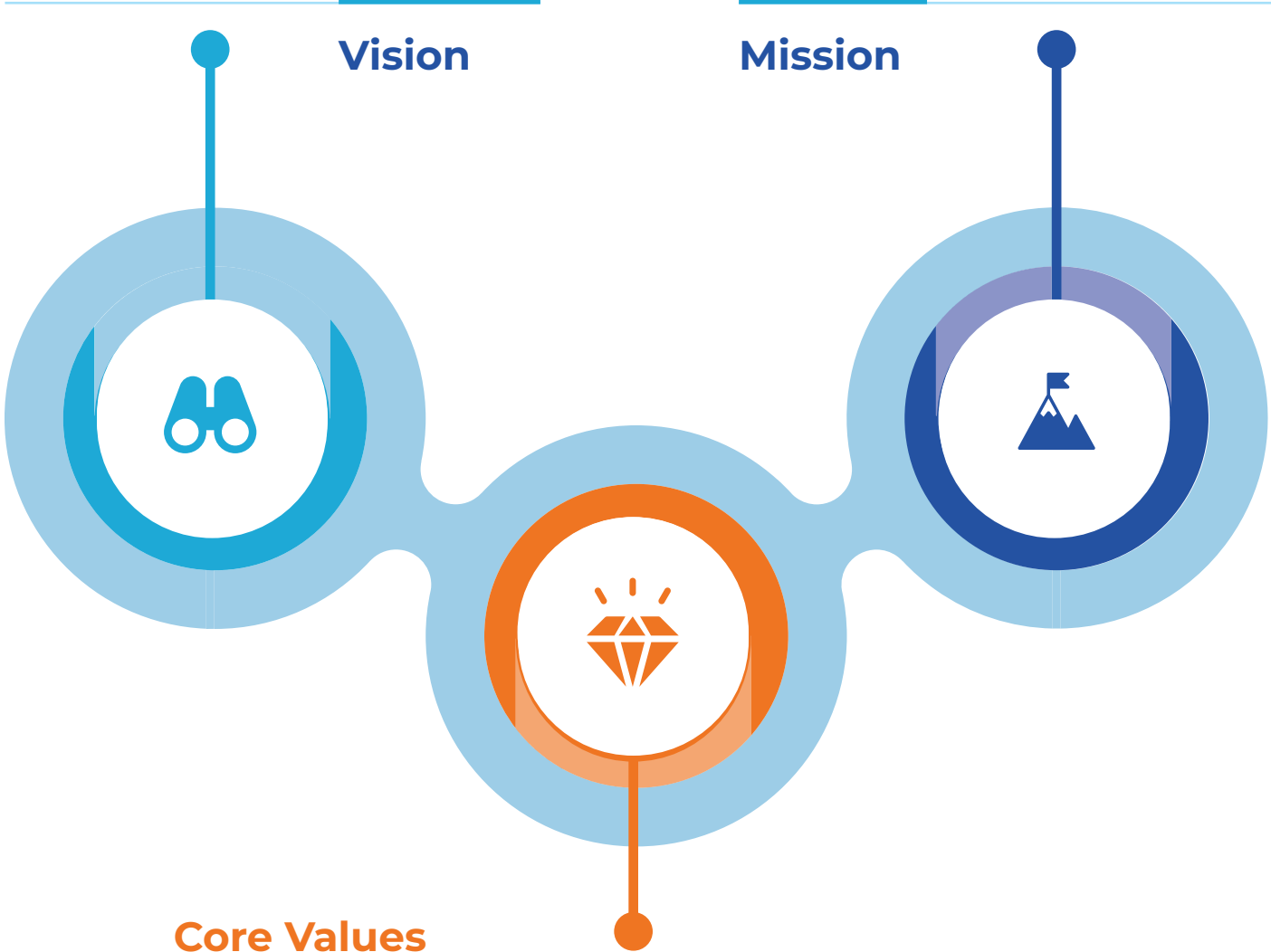




Vision - Mission - Core Values

To become a strategic partner of major fashion brands, meeting the highest customer requirements, with a modern management system, sustainable growth, and extensive participation in the supply chain of Vietnam National Textile and Garment Group and the global textile and garment supply chain.

To provide customers with the best quality and most reliable textile and garment products in the segment based on a green production model and professional services, creating confidence when accompanying the Company.



- ▶ Customer-centric policy and strategy planning;
- ▶ Doing it right the first time;
- ▶ Professionalism, transparency, and responsibility in all activities;
- ▶ Compliance with international standards.



FORMATION AND DEVELOPMENT PROCESS



1. Milestones

1996

Establishment of Knitting Factory.

1988

March 26, 1988: Inauguration of Hue Fiber Factory.

1979

May 19, 1979: Commencement of Hue Fiber Factory construction.

2002

Separation of the Knitting Factory into the Garment Factory with 18 sewing lines and the Dyeing and Knitting Factory with a production capacity of 1,200 tons/year.

2000

Investment to upgrade the Fiber Factory with an additional 8,000 spindles.

Investment in a high quality 30,000 spindle Fiber Factory in Phu Bai Industrial Zone (separated into Phu Bai Spinning Joint Stock Company in 2003).

2010

Registered for trading on the Upcom exchange on December 29, 2009 and officially traded from January 21, 2010 according to Announcement No, 15/TB-SGDCKHN on January 11, 2010 of Hanoi Stock Exchange.

2009

Establishment of Garment Factory 2 with 16 sewing lines.

2013

Inauguration of the Garment Factory with 16 sewing lines.

2012

Implemented stock dividend payment and issuance to existing shareholders, increasing the charter capital to 49,995,570,000 VND.

2018

New investment in Garment Factory 4 with 16 sewing lines.

Establishment of Quang Binh branch with 18 sewing lines.

Wastewater and water discharge systems meet Class A standards.

2017

Investment in upgrading the Dyeing and Knitting Factory with modern equipment, increasing production capacity to 1,500 tons/year.

2016

Conducted an offering to existing shareholders and key personnel, increasing the Company's charter capital to 100,000,000,000 VND.

2020

Restructured the production and management model of the garment industry and reorganized the spinning industry apparatus.

Has 07 factories including: 01 Spinning Factory with nearly 50,000 spindles, 01 Dyeing and Knitting Factory with a production capacity of 1,500 tons/year, and 05 garment factories with 82 sewing lines, with an average output of 25 million products/year.

2023

Implemented the issuance of shares to pay dividends at a rate of 32%, increasing the charter capital to 200,962,590,000 VND.

2022

Implemented the issuance of shares to pay dividends at a rate of 45%, increasing the charter capital to 152,247,010,000 VND.

2021

Implemented the issuance of shares under the employee stock option program, increasing the charter capital to 105,000,000,000 VND.

2024

The groundbreaking ceremony for Hue Textile Garment Joint Stock Company's 3-story garment factory on October 23, 2024 not only marks a significant milestone in the company's development but also symbolizes a pioneering trend towards green production in the Vietnamese textile and garment industry. This is a breakthrough step in HUEGATEX's sustainable development journey since its establishment in 1996, strongly affirming the Company's leading position and strategic vision in pioneering innovation within this industry.



2. Typical Awards

| STT | ACHIEVEMENTS, AWARDS |
|------|--|
| 1993 | The Company received the Third-class Labor Medal and the Excellent Unit Emulation Flag from the Vietnam National Textile and Garment Group. |
| 1995 | The Company received the Second-class Labor Medal. |
| 1998 | The Company received the First-class Labor Medal. |
| 2008 | Ministry of Industry and Trade awarded the Excellent Unit Emulation Flag, Thua Thien Hue Provincial People's Committee awarded a Certificate of Merit. |
| 2009 | Ministry of Industry and Trade, Vietnam Chamber of Commerce and Industry, and Thua Thien Hue Provincial People's Committee awarded Certificates of Merit. |
| 2010 | The Government awarded the Leading Unit in Emulation Movement Flag. The Provincial Business Block awarded the Leading Production Unit Flag. |
| 2011 | Vietnam National Textile and Garment Group awarded the Excellent Unit Emulation Flag. Ministry of Industry and Trade and Vietnam Chamber of Commerce and Industry awarded Certificates of Merit. |
| 2012 | The Government awarded the Leading Unit in Emulation Movement Flag. |
| 2013 | The Company received the Third-class Independence Medal. |
| 2014 | Ministry of Industry and Trade awarded the Emulation Flag. |
| 2015 | The Company was awarded the Leading Unit in Excellent Emulation Movement Flag by the Government, the Excellent Emulation Unit Flag by Thua Thien Hue Provincial People's Committee, Certificate of Merit from the Ministry of Labour, Invalids and Social Affairs - General Confederation of Labour of Vietnam and continued to be honored as a typical enterprise for employees by Vietnam Chamber of Commerce and Industry |
| 2016 | The Company received a Certificate of Merit from the Prime Minister, the Excellent Emulation Unit Flag from Thua Thien Hue Provincial People's Committee, continued to be honored as a typical enterprise for employees for the second consecutive time, a Certificate of Merit from Thua Thien Hue Customs Department, and the Emulation Flag from the General Confederation of Labor. |
| 2017 | Thua Thien Hue Provincial People's Committee awarded a Certificate of Merit for the excellent emulation unit and the Emulation Flag from the General Confederation of Labor. |

| STT | ACHIEVEMENTS, AWARDS |
|------|--|
| 2018 | Thua Thien Hue Provincial People's Committee awarded a Certificate of Merit for the excellent emulation unit and the Emulation Flag from the General Confederation of Labor. |
| 2019 | The Company received the Emulation Flag from Thua Thien Hue Provincial People's Committee, the Excellent Emulation Flag from the Vietnam General Confederation of Labor, the title of Typical Enterprise for Employees in the Vietnam Textile and Garment Industry, and a Certificate of Merit from the Vietnam Chamber of Commerce and Industry. |
| 2020 | The Company received a Certificate of Merit from the Thua Thien Hue Provincial People's Committee, the Excellent Emulation Flag of the Vietnam General Confederation of Labor, the Title of Enterprise for Employees of the Vietnam Textile and Garment Industry, and a Certificate of Merit from the Vietnam Chamber of Commerce and Industry. |
| 2021 | The Company received the Emulation Movement Leading Unit Flag from the Thua Thien Hue Provincial People's Committee, the Excellent Emulation Flag of the Vietnam General Confederation of Labor, the Title of Enterprise for Employees of the Vietnam Textile and Garment Industry, recognition as a leading unit by Vietnam National Textile and Garment Group, a Certificate of Merit for achievements in the Covid-19 pandemic prevention movement, and a Certificate of Merit from the Vietnam Chamber of Commerce and Industry. |
| 2022 | The Company received the Emulation Movement Leading Unit Flag from the Thua Thien Hue Provincial People's Committee in 2022, the Title of Enterprise for Employees of the Vietnam Textile and Garment Industry in 2022, a Certificate of Merit from the Vietnam Chamber of Commerce and Industry, and a Certificate of Merit from Vietnam National Textile and Garment Group. |
| 2023 | The Company received the title "Excellent Enterprise in 2023 in the export field" awarded by the Thua Thien Hue Provincial People's Committee; the title "Enterprise for Employees" awarded by the Ministry of Labor, Invalids and Social Affairs; the Excellent Emulation Flag of the Vietnam General Confederation of Labor; achieved the "Golden Hand" and "Fastest Specialist" awards for knitted garment products; and the "Bronze Hand" and "Creative" awards for jacket products at the 2023 Textile and Garment Industry Skilled Worker Competition. |
| 2024 | The Company received the title "Enterprise for Employees" for the 6th consecutive time, The Chairman of the Thua Thien Hue Provincial People's Committee awarded a Certificate of Merit "For many positive contributions to the construction and socio-economic development of Thua Thien Hue province in 2024". On December 20, 2024, Hue Textile and Garment Joint Stock Company was honored to receive a certificate of merit for "Outstanding achievements in the period of 2022 - 2023" awarded by the Chairman of the State Capital Management Committee at Enterprises. |



2. Typical Awards

From 1993 to 2023



FIRST CLASS LABOR MEDAL
1993 - 1997



THIRD CLASS LABOR MEDAL
1995 - 1999



GOLDEN STAR OF VIETNAM 2008



THIRD PRIZE IN FIBER
INDUSTRY - VINATEX SKILLED
WORKERS COMPETITION



INDEPENDENCE MEDAL,
THIRD CLASS



SPONSOR CERTIFICATE OF
HUE FESTIVAL 2014



PRIME MINISTER'S
CERTIFICATE OF MERIT



GOVERNMENT FLAG OF
COMMENDATION FOR
EXCELLENT UNIT LEADING THE
2015 EMULATION MOVEMENT



MINISTRY OF INDUSTRY AND
TRADE COMMENDS EXCELLENT
UNITS IN THE 2016 EMULATION
MOVEMENT



LEADING THE 2019
COMPETITION MOVEMENT



LEADING THE 2021
COMPETITION MOVEMENT



STRONG GRASSROOTS
UNION 2022



2. Typical Awards

2024



Achievements **IMPRESSION**



TYPICAL ENTERPRISE FOR WORKERS 2024

According to Decision No. 1073/QĐ TLĐ dated June 14, 2024, Hue Textile and Garment Joint Stock Company received the title of **Typical Enterprise for Workers** from the Ministry of Labor, War Invalids and Social Affairs, the Vietnam General Confederation of Labor and VCCI.



For the 6th consecutive year, the Company is proud to be one of 12 units to receive the title “Enterprise for Workers” at the industry level; one of 7 textile units to receive the title “Enterprise for Workers” at the national level.



According to Decision No. 232/QĐ-CD DMVN dated September 30, 2024, Hue Textile and Garment Joint Stock Company won the award of Typical Enterprise for Workers by the Trade Union, Vietnam Textile and Garment Group and Vietnam Textile and Apparel Association.



In the 4th Textile and Garment Industry Creative Labor Festival in 2024 organized by the Vietnam Textile and Garment Group - Trade Union with 16 topics, the results: won the Second Prize for Creative Collective; Second Prize for Creative Booth; 1 Second Prize for Fiber topic; 1 Second Prize for Sewing topic; 1 Second Prize for Textile and Dyeing topic and 13 consolation prizes for topics in the fields of fiber, sewing, and management.



2. Typical Awards

Outstanding cultural enterprise in the integration period, awarded by the Institute for Strategy and Policy Research in Industry and Trade - Ministry of Industry and Trade.



On December 27, 2024, the top 5 business units with great contributions to the business performance results of Vietnam Textile and Garment Group in 2024 were awarded.

On December 28, 2024, the Trade Union of Hue Textile and Garment Joint Stock Company was awarded the Emulation Flag by the Executive Committee of the Vietnam General Confederation of Labor for its outstanding achievements in the emulation movement for good workers and building a strong Trade Union organization in 2024.



Outstanding enterprise studying and following Ho Chi Minh's ideology, style and ethics in building corporate culture, awarded by the Institute for Strategy and Policy Research in Industry and Trade - Ministry of Industry and Trade.

On December 20, 2024, Hue Textile and Garment Joint Stock Company was honored to receive a certificate of merit for "Outstanding achievements in the period of 2022 - 2023" awarded by the Chairman of the State Capital Management Committee at Enterprises.





1. Organizational Structure

Hue Textile Garment Joint Stock Company is a joint stock company, organized and operating according to the provisions of Point a, Clause 1, Article 137 of the Law on Enterprises 2020, including:



General Meeting of Shareholders

Including all shareholders with voting rights, is the highest decision-making body of the Company.



Board of Supervisors

Performs the task of supervising all business activities, management activities, and production operations of the Company on behalf of the shareholders



Board of Directors

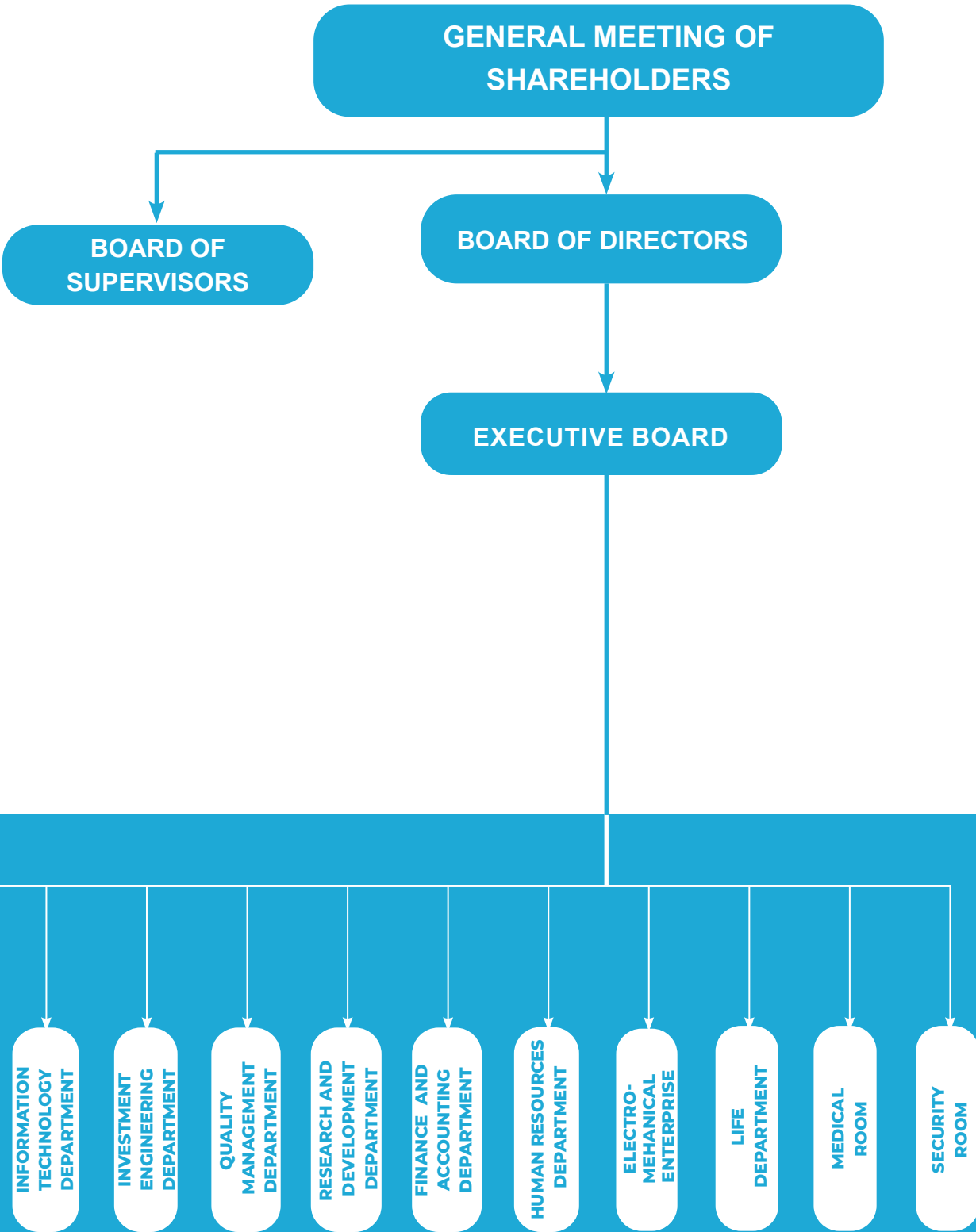
Is the Company's management body, having full authority on behalf of the Company to decide all matters related to the Company's purposes and interests, except for matters under the authority of the General Meeting of Shareholders.



General Director

Is the person who manages the daily operations of the Company and is responsible to the Board of Directors for the performance of the assigned rights and duties.

2. Organizational Chart





3. Board of Directors, Board of Supervisors, Executive Board

01 Board of Directors

List of Members of the Board of Directors

| No. | Member of the Board of Directors | Position |
|-----|----------------------------------|------------------------------------|
| 1 | Mr. Nguyen Duc Tri | Chairman of the Board of Directors |
| 2 | Mr. Nguyen Van Phong | Member of the Board of Directors |
| 3 | Ms. Nguyen Hong Lien | Member of the Board of Directors |
| 4 | Mr. Le Hong Quan | Member of the Board of Directors |
| 5 | Mr. Nguyen Ngoc Binh | Member of the Board of Directors |

Changes in Board of Directors Members: None



Summary Information of Board of Directors Members:

01

MR. NGUYEN DUC TRI

Chairman of the Board of Directors

Date of birth: 09/02/1966

Qualification: Master of Business Administration

Work experience

- 03/1990 - 04/1994: Specialist at Tam Ky General Trading Company, Quang Nam - Da Nang
- 05/1994 - 03/1997: Deputy Head of Garment Import-Export Department, Vinatex Da Nang Branch
- 03/1997 - 05/2001: Head of Garment Import-Export Department, Vinatex Da Nang Branch
- 05/2001 - 07/2001: Assistant to the General Director of Hoa Tho Textile Garment Company
- 08/2001 - 12/2005: Executive Director of Hoa Tho Textile Garment Company
- 01/2006 - 12/2010: Deputy General Director of Hoa Tho Textile Garment Company, now Hoa Tho Textile Garment Joint Stock Company
- 03/2010 - Present: Chairman of the Board of Directors of Hoa Tho - Quang Nam Garment Joint Stock Company
- 01/2011 - 08/2020: General Director of Hoa Tho Textile Garment Joint Stock Company
- 06/2017 - 07/2020: Chairman of the Board of Directors cum General Director of Hoa Tho Textile Garment Joint Stock Company
- 06/2017 - 10/2024: Chairman of the Board of Directors of Hoa Tho Textile Garment Joint Stock Company
- 01/2019 - 12/2019: Executive Director of Vietnam National Textile and Garment Group
- 12/2019 - Present: Deputy General Director of Vietnam National Textile and Garment Group
- 05/2020 - Present: Chairman of the Board of Directors of Hue Textile Garment Joint Stock Company
- 08/2020 - Present: Chairman of the Board of Directors of Hoa Tho - Quang Nam Garment Joint Stock Company.
- 10/2024 - Present: Member of the Board of Directors, Hoa Tho Textile Garment Joint Stock Company

Number of shares owned as of 25/03/2025

- Personal: 47,850 shares, accounting for 0.24% of charter capital.
- Representative: 6,028,877 shares, accounting for 30% of charter capital.

Position at other companies

- Deputy General Director of Vietnam National Textile and Garment Group.
- Chairman of the Board of Directors, Hoa Tho - Quang Nam Garment Joint Stock Company.
- Member of the Board of Directors, Hoa Tho Textile Garment Joint Stock Corporation.



3. Board of Directors, Board of Supervisors,
Executive Board (Cont.)

01 Board of Directors

List of Members of the Board of Directors (Cont.)

02

MR. NGUYEN VAN PHONG

MEMBER OF THE BOARD OF DIRECTORS

Date of birth: 11/06/1961

Bachelor of Economics

Qualification: Bachelor of Foreign Languages

Work experience

- 10/1980 - 06/1996: Officer at Hue Fiber Factory.
- 10/1996 - 09/1998: Secretary of the Ho Chi Minh Communist Youth Union, Hue Textile Company.
- 10/1998 - 12/2003: Deputy Head of Organization - Administration Department, Hue Textile Garment Joint Stock Company.
- 01/2004 - 02/2004: Deputy Director of Garment Factory, Hue Textile Garment Joint Stock Company.
- 03/2004 - 09/2007: Director of Garment Factory, Hue Textile Garment Joint Stock Company.
- 10/2007 - 12/2007: Assistant to the General Director, Hue Textile Garment Joint Stock Company.
- 01/2008 - 04/2008: Head of Organization - Administration Department, Hue Textile Garment Joint Stock Company.
- 05/2008 - 09/2014: Head of the Board of Supervisors, Head of Human Resources Department, Hue Textile Garment Joint Stock Company.

- 09/2014 - 03/2016: Managing Director, Hue Textile Garment Joint Stock Company.
- 03/2016 - 03/2018: Deputy General Director, Hue Textile Garment Joint Stock Company.
- 11/2017 - present: Member of the Board of Directors, Hue Textile Garment Joint Stock Company.
- 03/2018 - 12/2024: General Director, Hue Textile Garment Joint Stock Company.

Number of shares owned as of 25/03/2025

- Personal: 83,373 shares, accounting for 0.41% of charter capital.
- Representative: 4,019,252 shares, accounting for 20% of charter capital.

Position at other companies

None

03

MS. NGUYEN HONG LIEN

MEMBER OF THE BOARD OF DIRECTORS

Date of birth: 08/11/1978

Master of Economics

Qualification: Bachelor of English

Work experience

- 02/2000 - 11/2011: Specialist, Import-Export Department, Hue Textile Garment Joint Stock Company.
- 12/2011 - 12/2014: Deputy Head of Garment Import-Export Department, Hue Textile Garment Joint Stock Company.
- 04/2013 - 04/2018: Head of the Supervisory Board, Hue Textile Garment Joint Stock Company.
- 01/2015 - 06/2019: Head of Import-Export Department, Hue Textile Garment Joint Stock Company.
- 06/2019 - 11/2023: Managing Director, Hue Textile Garment Joint Stock Company.
- 05/2020 - present: Member of the Board of Directors, Hue Textile Garment Joint Stock Company.
- 11/2023 - 12/2024: Deputy General Director, Hue Textile Garment Joint Stock Company.
- 01/2025 - present: General Director, Hue Textile Garment Joint Stock Company.

Number of shares owned as of 25/03/2025

- Personal: 49,187 shares, accounting for 0.24% of charter capital.
- Representative: 2,181,993 shares, accounting for 10.86% of charter capital.

Position at other companies

None



3. Board of Directors, Board of Supervisors,
Executive Board (Cont.)

01 Board of Directors

List of Members of the Board of Directors (Cont.)

04

MR. LE HONG QUAN

MEMBER OF THE BOARD OF DIRECTORS

Date of birth: 02/07/1974

Qualification: Bachelor of Telecommunications.

Work experience

- 04/1996 - 02/2003: Worked at Hue Textile Garment Joint Stock Company
 - 03/2003 - 03/2010: Worked at Phu Bai Spinning Joint Stock Company
 - 01/2010 - 08/2010: Head of Production Technical Department, Phu Bai Spinning Joint Stock Company
 - 09/2010 - 11/2012: Director in charge of Production Line 1 - Phu Bai Spinning Joint Stock Company
 - 12/2012 - 06/2022: Deputy General Director of Phu Bai Spinning Joint Stock Company
 - 2013 - 08/2016: Director of Phu Xuyen Fiber Factory Branch
- 07/2022 - present: Deputy General Director of Hue Textile Garment Joint Stock Company
 - 04/2023 - present: Member of the Board of Directors, Hue Textile Garment Joint Stock Company

Number of shares owned as of 25/03/2025

- Personal: None
- Representative: None

Position at other companies

None



05

MR. NGUYEN NGOC BINH

MEMBER OF THE BOARD OF DIRECTORS

Date of birth: 10/05/1976

Qualification: Master of Business Administration

Work experience

- 1999 - 2000: Officer of Garment Factory 1 - Hoa Tho Textile Garment Company
 - 2001 - 2002: Officer of Garment Import-Export Department - Hoa Tho Textile Garment Company
 - 2003 - 2004: Deputy Head of Garment Import-Export Department - Hoa Tho Textile Garment Company
 - 2005 - 2007: Deputy Head of Yarn Import-Export Department - Hoa Tho Textile Garment Company
 - 2008 - 2011: Deputy General Director of Hoa Tho Yarn Company - Hoa Tho Textile Garment Joint Stock Corporation
 - 2012 - 2013: Head of Yarn Business Department, Hoa Tho Textile Garment Joint Stock Corporation
 - 2013 - 2014: Managing Director, Head of Yarn Business Department, Hoa Tho Textile Garment Joint Stock Corporation
 - 07/2014 - present: Member of the Board of Directors, Hoa Tho Textile Garment Joint Stock Corporation
 - 07/2014 - 10/2024: Deputy General Director of Hoa Tho Textile Garment Joint Stock Corporation
 - 03/2015 - present: Chairman of the Board of Directors, Hoa Tho - Thang Binh Spinning Joint Stock Company
- 11/2015 - present: Chairman of the Members' Council, Hoa Tho Construction Mechanical Company Limited
 - 06/2022 - present: Member of the Board of Directors, Viet Thang Corporation
 - 04/2023 - present: Member of the Board of Directors, Hue Textile Garment Joint Stock Company
 - 10/2024 - present: General Director of Hoa Tho Textile Garment Joint Stock Corporation

Number of shares owned as of 25/03/2025

- Personal: None
- Representative: None

Position at other companies

- Member of the Board of Directors cum General Director of Hoa Tho Textile Garment Joint Stock Corporation
- Chairman of the Board of Directors, Hoa Tho - Thang Binh Spinning Joint Stock Company
- Chairman of the Members' Council, Hoa Tho Construction Mechanical Company Limited
- Member of the Board of Directors, Viet Thang Corporation.



3. Board of Directors, Board of Supervisors,
Executive Board (Cont.)

02 Board of Supervisors

List of Board of Supervisors's members

| No. | Member | Position |
|-----|-----------------------|------------------------------------|
| 1 | Ms. Phan Nu Quynh Anh | Head of the Board of Supervisors |
| 2 | Ms. Pham Thi Van Ha | Member of the Board of Supervisors |
| 3 | Mr. Ho Nam Phong | Member of the Board of Supervisors |

Changes in Board of Supervisors's members: None

Summary information of Board of Supervisors's members:

01

MS. PHAN NU QUYNH ANH

HEAD OF THE BOARD OF SUPERVISORS

Date of birth: 21/04/1988

Qualification: Bachelor of Economics

Work experience

- 07/2012 - 11/2014: Teller, Dong A Commercial Joint Stock Bank - Hue Branch
- 10/2015 - 09/2017: Accounting Specialist, Welfare Department, Hue Textile Garment Joint Stock Company
- 10/2017 - 05/2020: Specialist, Internal Control Department, Hue Textile Garment Joint Stock Company
- 05/2020 - present: Head of the Board of Supervisors, Hue Textile Garment Joint Stock Company

Number of shares owned as of 25/03/2025

- Personal: 7,359 shares, accounting for 0.04% of charter capital
- Representative: None

Position at other companies

None

02

MR. HO NAM PHONG

MEMBER OF THE BOARD OF SUPERVISORS

Date of birth: 13/06/1980

Master of Economics

Qualification: Bachelor of Mathematics

Work experience

- 01/2013 - 12/2014: Specialist, Human Resources Department, Hue Textile Garment Joint Stock Company
- 01/2015 - 12/2018: Deputy Head of Human Resources Department, Hue Textile Garment Joint Stock Company
- 03/2015 - present: Member of Board of Supervisors, Hue Textile Garment Joint Stock Company
- 01/2019 - 11/2023: Head of Human Resources Department, Hue Textile Garment Joint Stock Company
- 11/2023 - present: Director of Garment Factory 1, Hue Textile Garment Joint Stock Company

Number of shares owned as of 25/03/2025

- Personal: 23,453 shares, accounting for 0.12% of charter capital
- Representative: None

Position at other companies:

None

03

MS. PHAM THI VAN HA

MEMBER OF THE BOARD OF SUPERVISORS

Date of birth: 16/09/1982

Qualification: Master of Economics

Work experience

- 2006 - 2011: Specialist, Japanese Market Department, Labor Cooperation and Trading Joint Stock Company
- 2011 - 2020: Specialist, Investment and Capital Construction Department, Vietnam National Textile and Garment Group
- 04/2018 - Present: Members of Board of Supervisors, Hue Textile Garment Joint Stock Company
- 2020 - Present: Specialist, Corporate Planning Department, Vietnam National Textile and Garment Group

Number of shares owned as of 25/03/2025

- Personal: 4,000 shares, accounting for 0.02% of charter capital
- Representative: None

Position at other companies:

- Specialist, Corporate Planning Department, Vietnam Textile and Garment Group



3. Board of Directors, Board of Supervisors,
Executive Board (Cont.)

03 Executive Board

List of Members of Executive Board

| No. | Member | Position |
|-----|-------------------------|-------------------------|
| 1 | Ms Nguyen Hong Lien | General Director |
| 2 | Mr Le Hong Quan | Deputy General Director |
| 3 | Mr Nguyen Tien Hau | Deputy General Director |
| 4 | Mr Dao Van Tu | Executive Director |
| 5 | Ms Tran Thi Thuan | Executive Director |
| 6 | Mr Nguyen Ba Khanh Tung | Executive Director |
| 7 | Ms Nguyen Khanh Chi | Chief Accountant |

Changes in Members of Executive Board:

| No. | Name | Position | Date of appointment | Date of dismissal |
|-----|-----------------------|-------------------------|---------------------|-------------------|
| 1 | Mr. Ho Ngoc Lan | Deputy General Director | 12/2005 | 31/08/2024 |
| 2 | Mr. Nguyen Van Phong | General Director | 03/2018 | 31/12/2024 |
| 3 | Mrs. Nguyen Hong Lien | Deputy General Director | 11/2023 | 31/12/2024 |
| 4 | Mrs. Nguyen Hong Lien | General Director | 01/01/2025 | ... |

Summary information of Members of Executive Board

01

MS. NGUYEN HONG LIEN
GENERAL DIRECTOR

Presented in the
Board of Directors section

02

MR. LE HONG QUAN
DEPUTY GENERAL DIRECTOR

Presented in the
Board of Directors section

03

MR. NGUYEN TIEN HAU
DEPUTY GENERAL DIRECTOR

Date of birth: 20/09/1965
Qualification: Bachelor of Economics
Work experience

- 12/1988 - 12/1989: Production Team Leader, Yarn Workshop, Hue Yarn Factory
- 01/1990 - 03/1994: Shift Leader, Yarn Workshop, Hue Yarn Factory
- 04/1994 - 12/1999: Yarn Factory Workshop Supervisor, Hue Textile Company
- 01/2000 - 12/2002: Secretary of Ho Chi Minh Communist Youth Union, Hue Textile Garment Joint Stock Company
- 01/2003 - 12/2014: Deputy Head of Organization - Administration Department, Hue Textile Garment Joint Stock Company
- 01/2015 - 03/2018: Head of Human Resources Department, Hue Textile Garment Joint Stock Company

Number of shares held as of 25/03/2025

- Personal: 56,782 shares, accounting for 0.28% of charter capital
- Representative: None

Position at other companies
None



3. Board of Directors, Board of Supervisors,
Executive Board (Cont.)

03 Executive Board

List of Members of Executive Board

04

MR. DAO VAN TU

EXECUTIVE DIRECTOR

Date of birth: 20/10/1970

Bachelor of Law

Qualification: Bachelor of Garment Technology

Work experience

- ▶ 12/1999 - 12/2001: Technical staff of Garment Factory, Hue Textile Garment Company
- ▶ 01/2002 - 12/2004: Sewing line supervisor, Hue Textile Garment Company
- ▶ 01/2005 - 12/2007: Technical team leader of Garment Factory, Hue Textile Garment Joint Stock Company
- ▶ 01/2008 - 12/2008: Quality Control team leader, Hue Textile Garment Joint Stock Company
- ▶ 01/2009 - 05/2013: Quality Management Department staff, Hue Textile Garment Joint Stock Company
- ▶ 06/2013 - 08/2014: Deputy Head of Quality Management Department, Hue Textile Garment Joint Stock Company
- ▶ 09/2014 - 12/2017: Director of Garment Factory 2, Hue Textile Garment Joint Stock Company

- ▶ 01/2018 - 09/2018: Deputy Director of Quang Binh Branch and Director of Quang Binh Garment Factory
- ▶ 10/2018 - 09/2021: Director of Garment Factory 2, Hue Textile Garment Joint Stock Company
- ▶ 10/2021 - present: Executive Director, Hue Textile Garment Joint Stock Company

Number of shares held as of 25/03/2025

- ▶ Personal: 42,090 shares, accounting for 0.21% of charter capital
- ▶ Representative: None

Position at other companies

None

05

MS. TRAN THI THUAN

EXECUTIVE DIRECTOR

Date of birth: 10/10/1972

Bachelor of Law,

Qualification: Bachelor of Garment Technology

Work experience

- ▶ 1990 - 1993: Clerk, Hue Textile Factory
- ▶ 1994 - 1998: Studied at Nam Dinh Industrial Technical School
- ▶ 1998 - 2002: Technical staff, Garment Factory, Hue Textile Garment Company
- ▶ 2003 - 2009: Technology team leader, Garment Factory, Hue Textile Garment Joint Stock Company
- ▶ 2010 - 2013: Deputy Director of Garment Factory, Hue Textile Garment Joint Stock Company
- ▶ 2014 - 2016: Deputy Head of Quality Management Department, Hue Textile Garment Joint Stock Company
- ▶ 2017 - 2018: Head of Quality Management Department, Hue Textile Garment Joint Stock Company
- ▶ 2018 - 2019: Head of Quality Management and Director of Garment Factory 2, Hue Textile Garment Joint Stock Company

- ▶ 2020 - 2023: Director of Garment Factory 1, Hue Textile Garment Joint Stock Company
- ▶ 07/2022 - present: Executive Director of Hue Textile and Garment Joint Stock Company
- ▶ 04/2024 - present: Director of Garment Factory 3
- ▶ 01/2025 - present: Director of Quang Binh Branch

Number of shares held as of 25/03/2025

- ▶ Personal: 23,453 shares, accounting for 0.12% of charter capital
- ▶ Representative: None

Position at other companies

None



3. Board of Directors, Board of Supervisors,
Executive Board (Cont.)

03 Executive Board

List of Members of Executive Board

06

MR. NGUYEN BA KHANH TUNG

EXECUTIVE DIRECTOR

Date of birth: 30/06/1986

Qualification: Bachelor of Economics

Work experience

- ▶ 12/2012 - 08/2014: Production Planning Specialist, Hue Textile Garment Joint Stock Company
- ▶ 09/2014 - 07/2018: Deputy Director of Garment Factory 1, Hue Textile Garment Joint Stock Company
- ▶ 08/2018 - 12/2018: Deputy Director in charge of Garment Factory 1, Hue Textile Garment Joint Stock Company
- ▶ 01/2019 - 06/2020: Director of Garment Factory 1, Hue Textile Garment Joint Stock Company
- ▶ 03/2019 - Present: Director of Quang Binh Branch, Hue Textile Garment Joint Stock Company
- ▶ 07/2022 - Present: Executive Director, Hue Textile Garment Joint Stock Company
- ▶ 11/2024 - Present: Deputy General Director, Hanoi Textile and Garment Joint Stock Corporation

Number of shares held as of 25/03/2025

- ▶ Personal: 21,896 shares, accounting for 0.11% of charter capital
- ▶ Representative: None

Position at other companies

- ▶ Deputy General Director, Hanoi Textile and Garment Joint Stock Corporation

07

MS. NGUYEN KHANH CHI

CHIEF ACCOUNTANT

Date of birth: 16/12/1982

Qualification: Bachelor of Economics

Work experience

- ▶ 03/2005 - 11/2011: Specialist, Finance and Accounting Department, Hue Textile Garment Joint Stock Company
- ▶ 12/2011 - 09/2019: Deputy Head of Finance and Accounting Department, Hue Textile Garment Joint Stock Company
- ▶ 10/2019 - 03/2022: Head of Finance and Accounting Department, Hue Textile Garment Joint Stock Company
- ▶ 02/2020 - Present: Chief Accountant, Hue Textile Garment Joint Stock Company

Number of shares held as of 25/03/2025

- ▶ Personal: 27,800 shares, accounting for 0.14% of charter capital
- ▶ Representative: None

Position at other companies

None

4. Employees

Number of employees (as of 31/12/2024)

| No. | Classification | Year 2024 (people) | Percentage |
|----------|--|-----------------------|-------------|
| A | By qualification | 4,269 | 100% |
| 1 | University, Postgraduate | 431 | 10% |
| 2 | College, Professional Secondary School | 419 | 10% |
| 3 | Unskilled labor | 3,419 | 80% |
| B | By labor contract term | 4,269 | 100% |
| 1 | Short-term contract under 1 year | 0 | 0% |
| 2 | Fixed-term contract from 1 to 3 years | 0 | 0% |
| 3 | Indefinite-term contract | 4,269 | 100% |
| C | By gender | 4,269 | 100% |
| 1 | Male | 1,230 | 29% |
| 2 | Female | 3,039 | 71% |

Number and average income of employees over the years

| Year | Year 2021 | Year 2022 | Year 2023 | Year 2024 |
|--|-----------|-----------|-----------|-----------|
| Total number of employees (people) | 4,939 | 4,732 | 4,489 | 4,269 |
| Average income of employees (VND/ person/month) | 9,214,000 | 9,625,000 | 8,902,000 | 9.708.000 |





4. Employees (Cont.)

Employee Policy



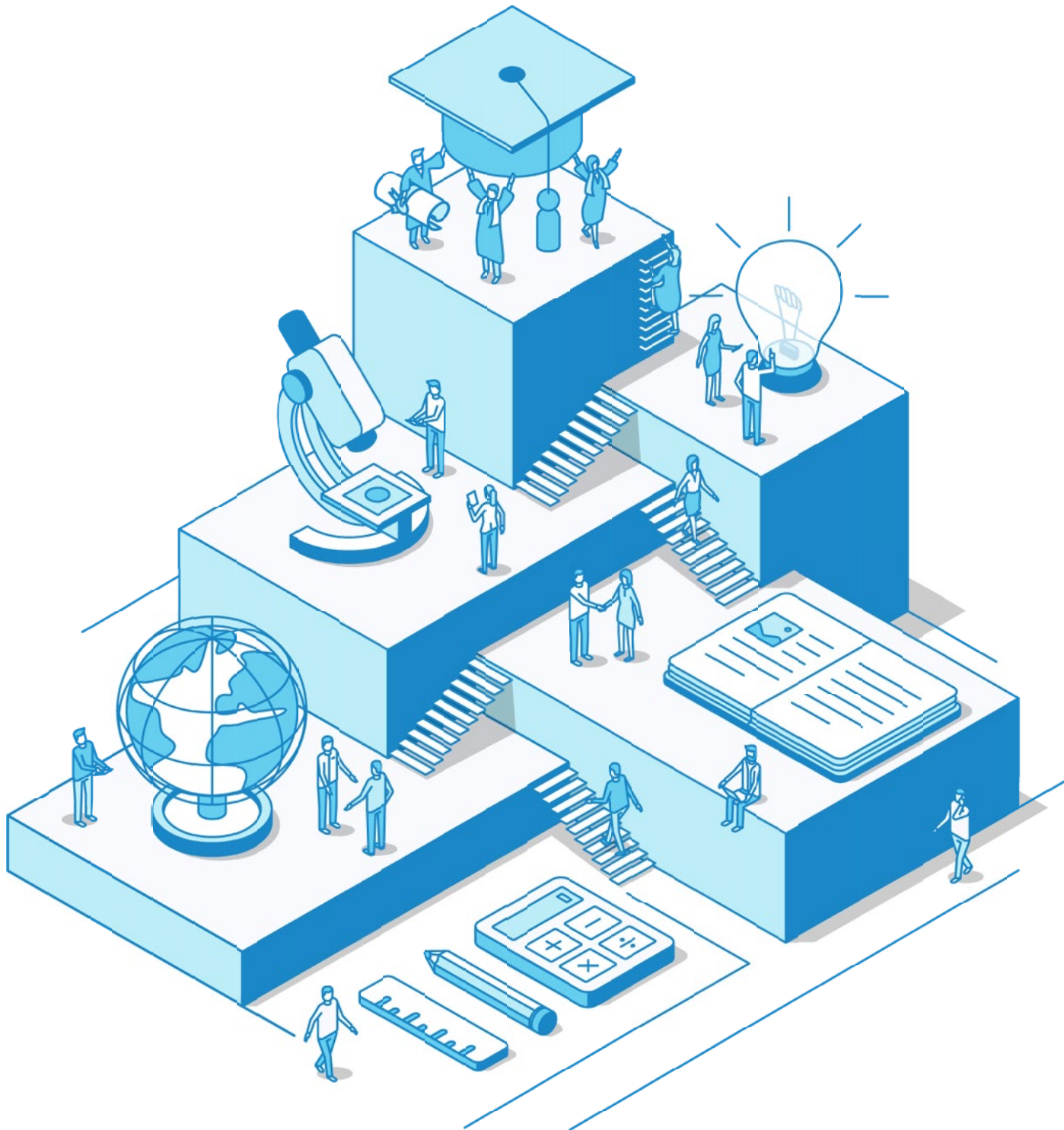
Salary, Bonus, and Benefits

The Company implements salary, bonus, and benefit policies to motivate long-term commitment from employees, especially highly qualified and experienced personnel. Concurrently, the Company deploys reward policies for individuals and teams with outstanding achievements and initiatives contributing to improved business performance. Simultaneously, to maintain discipline and protect the Company's image, the Company also implements strict measures to handle violations, ensuring a professional and efficient working environment.



Recruitment

The Company aims to contribute to job creation and socio-economic development in the local area, and therefore prioritizes recruiting personnel from areas near the Company's headquarters. For employees in departments/divisions requiring qualifications, degrees, and experience, the Company always facilitates attracting graduates from reputable universities and colleges, as well as experienced and enthusiastic candidates who want to work long-term at the Company. For direct production workers, the Company continuously recruits to supplement the production line and provides many support policies



Training and Work Environment

The Company focuses on training and human resource development to enhance professional competence, work skills, and management capabilities. New employees receive support and guidance from specialized departments to quickly integrate and adapt to the working environment. Inexperienced personnel will receive vocational training according to the prescribed roadmap, while experienced individuals will be assigned jobs suitable to their abilities and strengths, and receive periodic training to improve their skills and develop specialized expertise.

For professional staff and managers, the Company regularly organizes training courses on specialized skills, executive skills, and management to meet the increasingly high job requirements. In addition, managers and leaders are also facilitated to participate in specialized seminars and discussion forums to update trends and new knowledge in their fields of activity.

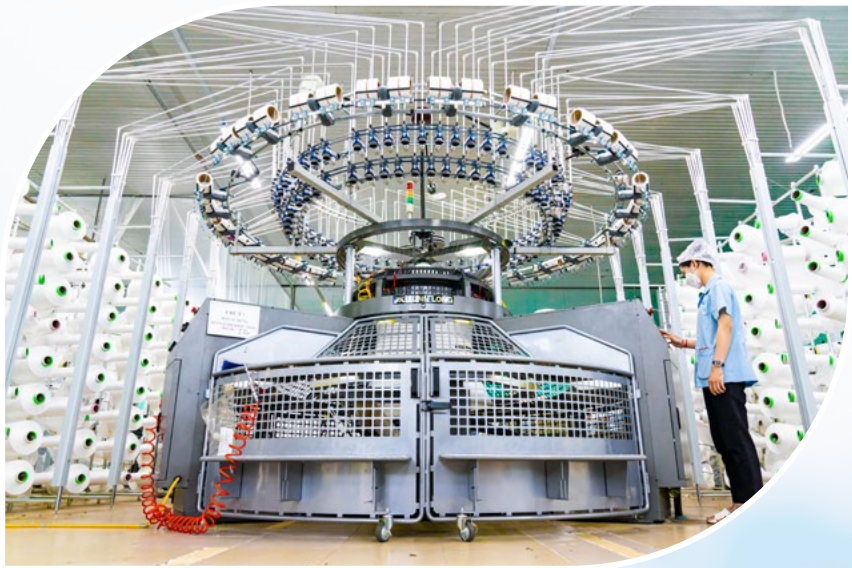
The Company also strengthens corporate culture development and dissemination, fostering a professional and civilized work environment that values respect and efficiency in all activities, thereby enhancing the solidarity and motivation of all employees.





1. Business lines

| No. | Industry Name |
|-----|--|
| 1 | Production and trading of textiles and garment products. |
| 2 | Dyeing and finishing of fabrics and yarns. |
| 3 | Trading of equipment, materials in the textile and garment industry, consumer goods, handicrafts, agricultural, forestry and fishery products. |
| 4 | Trading of office equipment, fashion design equipment, means of transport, and electrical and electronic equipment. |
| 5 | Real estate, hotel, and motel business. |



YARN

- ▶ Production capacity: 10,000 tons of yarn/year
- ▶ The Company has 1 Spinning Factory equipped with 4 production lines imported from Germany, Switzerland, and Japan. Production of various types of yarn: pile yarn for weaving and knitting, single yarn, twisted yarn, compact yarn, regular yarn, recycled yarn, viscose yarn with indices from 16 to 50.
- ▶ Raw materials are imported from the United States, Brazil, Australia,...

DYEING AND KNITTING

- ▶ Production capacity: 1,500 tons of fabric/year
- ▶ The Company has 1 Dyeing and Knitting Factory equipped with modern machinery from the United States, Europe, and Japan.
- ▶ Production of various types of fabric: single polyester filament fabric, polyester filament fabric with 5% - 12% spandex, interlock fabric, fabric woven from recycled yarn,...

GARMENT

- ▶ Production output: 30,000,000 products/year
- ▶ The Company has 5 garment factories, 80 sewing lines equipped with modern machinery imported from Taiwan, Japan,... operated by near 4000 highly skilled workers.
- ▶ Main products are Polo-Shirt, T-Shirt, Jacket, trousers, sleepwear, bra, dress,...



2. Geographic areas

The Company's products are currently being exported to major markets around the world and are widely sold in the domestic market. The Company's products have been voted for many years as high-quality Vietnamese goods, the Vietnam Golden Star Award, Enterprise for Workers and other noble awards.



EXPORT MARKET

YARN

- ▶ United States
- ▶ Mexico
- ▶ Peru
- ▶ Portugal
- ▶ Belgium
- ▶ Turkey
- ▶ Egypt
- ▶ China
- ▶ Hongkong
- ▶ Malaysia
- ▶ Indonesia
- ▶ Korea
- ▶ Taiwan
- ▶ Japan
- ▶ Philippines

EXPORT MARKET

GARMENT

- ▶ United States
- ▶ Canada
- ▶ Korea
- ▶ Japan



DEVELOPMENT ORIENTATION

1. Development strategy

The Company's strategic development orientation for the 2025-2030 period includes

YARN

For the Yarn sector, the Company will position its brand as the leading high-quality yarn supplier in Central Vietnam, prioritizing the development of strategic customer groups with the goal of increasing the number of large customers, accounting for 70% of total revenue in the 2025-2030 period. At the same time, the Company also promotes deep participation in the supply chains of major brands such as Uniqlo, Target, H&M, Zara, combined with expanding exports to European and Japanese markets. In parallel, the Company also changes the product structure, focusing on value-added products to replace common products facing fierce competition

KNITTING-DYEING - GARMENT

With the Knitting - Dyeing - Garment sector, the Company aims to diversify export markets, reduce dependence on the US, and increase exports to Canada, Europe, South Korea, Japan, and Australia. The business model will also be gradually shifted from designated FOB and processing to proactive FOB NPL and ODM in the coming period. Besides maintaining the core product of knitwear (accounting for 75%), the Company will further develop woven products for women's fashion, especially at Garment factories 1-4, while optimizing production at the Quang Binh branch with large-scale common products. In addition, building a network of satellite factories will contribute to increasing production capacity and meeting customer requirements.

Research, development, and investment will be prioritized, especially in developing new yarn product lines such as antibacterial, anti-UV, and organic yarns. The Yarn segment will invest heavily in energy-saving production technologies and research the application of new technologies such as Vortex spinning. Meanwhile, the Textile Dyeing - Garment segment will increase the use of sustainable materials and promote digital transformation with AI, IoT, and ERP applications to build a smart factory model. The Company will also develop the FRESWAL premium sports brand and expand production capacity at existing factories, aiming for optimal and more efficient operation.

The Company's human resources strategy will focus on training highly specialized personnel in design, research, market analysis, automation, and information technology. Building an attractive salary and bonus system and establishing a specialized training cooperation center suitable for the level of technology (automation, AI, IoT, etc.) are also considered important solutions to attract and retain talent.

Finally, the Company will implement financial solutions aimed at building flexible and efficient capital mobilization and utilization plans, applying automated financial analysis and reporting systems on the ERP and Big Data platform, and using financial indicators to effectively warn and manage financial risks



2. Objectives for the environment, society, and community

For the Company, sustainable development is not only a business goal but also a long-term commitment to the environment and society. The Company identifies environmental protection and social contribution as an essential responsibility, integrated into all production and business activities.

With a comprehensive development orientation, the Company constantly innovates, enhances its competitiveness, and expands its positive impact, creating a solid foundation to maintain its leading position in the industry and reach further in the international market.

Regarding the environment, the Company ensures the goal of “greening” the factory to reduce CO2 emissions, as well as reduce negative impacts on the environment, such as: prioritizing the use of renewable energy; using 100% LED lights; saving water resources and reusing domestic water. At the same time, the economical and efficient use of input materials, adjusting production lines to suit different time frames during the week, and raising awareness of environmental protection throughout the entire system are top priorities.

For society, the Company aims to ensure stable jobs, sustainable income more than 10 million VND/person/month, and improved benefits for employees. The Company focuses on training, developing human resources, creating a safe, fair, and creative working environment, and promoting engagement. In addition, the Company always accompanies the community through social security, education, and health programs, and creates more job opportunities for the locality. The Company also promotes a culture of sharing, encouraging employees to participate in charitable activities and contribute to the community.



1. Economics Risks

Economic growth rates directly impact the development of most industries, including textiles. In 2024, Vietnam's economy recorded a growth rate of 7.09%, raising the economic scale to approximately 476.3 billion USD, ranking 33rd globally. This serves as a crucial foundation, propelling the expansion of numerous sectors, with the textile industry also benefiting from this general growth trend.

The textile industry concluded 2024 with import-export turnover reaching 44 billion USD, an 11% increase compared to the previous year. This growth largely stems from order shifts due to political instability in some competing markets, particularly Bangladesh, making Vietnam a preferred alternative for many international partners. However, this shift is primarily short-term and could reverse if Bangladesh's political situation stabilizes, posing a challenge for Vietnam's textile industry in maintaining a sustainable competitive advantage.

On the other hand, the global economy is showing signs of positive recovery as inflation is gradually controlled, creating momentum for the textile industry. Improved personal income contributes to boosting consumer demand, especially for apparel products. However, new tax policies from the US government could mitigate this positive impact, affecting the industry's export prospects.

As a business operating in the textile sector, the Company is acutely aware of the risks posed by economic fluctuations to production and export activities. The Company continuously monitors and forecasts potential market changes to proactively develop flexible and timely solutions. Consequently, the Company can maintain stable operations, ensure business production efficiency, and enhance adaptability to fluctuations in the global economy.

2. Legal Risks

The Company's business operations are governed by the legal framework in Vietnam, such as the Law on Enterprises, the Law on Securities, the Labor Law, and related guiding documents. In addition, the Company's main products are exported to major markets such as the US, Japan, Europe, Egypt, Portugal, Taiwan, etc., so the Company's production and business activities are also governed by bilateral and multilateral commitments through specific agreements and regulations. Although Vietnam has made significant efforts in improving the legal framework, creating more favorable conditions for businesses to operate, some shortcomings still exist, especially in the implementation and enforcement of regulations.

In this context, the Company has been implementing a plan to develop a specialized legal department to monitor and promptly update changes in the legal system, especially adjustments related to taxes, labor, environment, and securities. At the same time, the Company actively participates in specialized associations, forums, and seminars, strengthening dialogue with regulatory agencies to grasp policy trends, as well as propose solutions to remove difficulties for businesses.

The Company always identifies the key role of risk management, especially in the context of a rapidly changing and unpredictable market. To ensure that risk management activities are aligned with strategic objectives, the Company focuses on early identification of potential risks and uncertainties, and proactively applies preventive measures to minimize negative impacts on production and business activities.



3. Exchange Rate Risk

The 2024 exchange rate posed a significant challenge for import-export businesses, as fluctuations of the USD in the international currency market put considerable pressure on the USD/VND exchange rate. Moreover, supply and demand factors, influenced by the trade deficit, current account deficit, and the State Bank's open market operations, also exerted significant pressure on the exchange rate. As of December 31, 2024, the USD/VND exchange rate had increased by 4.31% compared to the beginning of the year.

Entering 2025, exchange rate pressures are expected to continue to increase, especially as the Donald Trump administration's tax policies could cause major changes to international trade, affecting trade flows and inflation in the United States. This could reduce the FED's ability to ease monetary policy, continuing to maintain high interest rates, thereby putting further upward pressure on the USD in the

international market. For import-export businesses, exchange rate risk not only directly affects revenue and expenses but also limits flexibility in accessing and using international debt instruments, while increasing financial costs when the domestic currency weakens.

In the face of these unpredictable fluctuations, the Company is gradually strengthening cooperative relationships with major domestic and international banks, negotiating flexible credit limits, and implementing foreign currency financial solutions. The Company is also proactively developing exchange rate risk management plans, including contingency cash flow plans, to ensure the ability to mobilize capital promptly when exchange rates fluctuate significantly, thereby protecting profits and ensuring stable production and business operations in a volatile financial environment.

4. Interest Rate Risk

The Company relies heavily on the debt payment cycle of its partners. Therefore, to finance production activities during the payment waiting period, the Company is compelled to utilize debt instruments, currently accounting for approximately 60% of total assets. However, employing high financial leverage means that any fluctuations in the financial market will significantly impact operating costs and ultimately shareholder benefits.

According to the General Statistics Office, in 2024, new lending interest rates at commercial banks tended to decrease due to the State Bank of Vietnam's policy of maintaining stable operating interest rates and directing credit institutions to reduce costs to support lower lending rates. This development reflects the Government's efforts in maintaining an accommodative monetary policy to stimulate economic growth, support businesses in expanding production, and recover after a challenging period. In this context, interest rates are expected to remain stable at a low level in the first half of 2025 before potentially

recovering in the second half due to changing macroeconomic factors.

However, despite government support policies, interest rates are still influenced by various external factors, particularly exchange rates and international capital flows impacting the banking system's liquidity. Given the potential risks from currency market fluctuations, the Company proactively monitors macroeconomic developments and fiscal policies to make appropriate decisions for each phase. The Company also applies a diversified borrowing strategy, collaborating with multiple banks to optimize loan conditions and limit the risk of dependence on a single financial institution. Simultaneously, the Company flexibly adjusts its debt portfolio, considering both short-term and long-term loans to optimize financial costs. Additionally, effective cash flow management, increased capital turnover, and optimized debt collection are also solutions to reduce financial pressure in the context of potential interest rate fluctuations



5. Input Material Risks

Raw materials are a core element in the production activities of textile and garment enterprises, directly impacting business efficiency. Input materials such as cotton, fiber, and fabric are mainly imported because domestic supply does not meet the required quantity and quality standards of customers. Among them, cotton is a commodity with strong price fluctuations, directly affecting the Company's profits. In 2024, cotton prices recorded a significant increase in the first three months of the year, then tended to decrease. However, transportation costs remained high, so total input costs have not improved significantly. It is expected that in 2025, if the new tax policy of US President Donald Trump is applied, tariff pressure on goods imported into the US could increase the cost of raw materials in the international market, indirectly affecting the Company's profit margins.

Therefore, to mitigate the impact of raw material price fluctuation risks, the Company has built a comprehensive strategy from diversifying supply sources, controlling costs, applying hedging tools in the commodity market, to optimizing logistics. Proactively monitoring and adapting to international trade policies also helps the business minimize negative impacts and maintain a long-term competitive advantage.



6. Competitive Risks

Vietnamese textile and garment enterprises constantly face fierce competition from major exporting countries such as China, India, Bangladesh, Indonesia, Cambodia, etc. These countries possess advantages in large-scale production capacity or low labor costs or enjoy many tariff preferences, thus becoming attractive destinations for international fashion brands seeking competitive sourcing.

Not only competing in output, Vietnamese textile and garment enterprises also face challenges from the input stage when more than 60% of raw materials must be imported. Reliance on imported raw materials significantly increases production costs, as

businesses incur additional transportation costs and are affected by commodity price fluctuations in the international market.

To enhance competitiveness, the Company focuses on ensuring product quality and investing in developing a "green" production chain, meeting the sustainable development trend as well as the stringent standards of major markets such as Europe and the United States. Simultaneously, the Company restructures the export market in the United States, expanding to neighboring markets like South Korea and Japan to diversify customers and mitigate risks from dependence on a few markets.



7. Human Resource Risks

The textile and garment industry is a labor-intensive industry, in which a skilled workforce plays a crucial role in ensuring productivity and product quality. However, this industry always faces high labor turnover, while the training process for a skilled employee often takes 3-6 months. During this period, the Company not only incurs training costs but also faces losses due to product defects and unstable productivity.

Recognizing the importance of a stable workforce, the Company has made efforts to maintain employment, ensure stable income, constantly improve compensation policies, and enhance salary, bonus, and benefit regimes to attract and retain employees. Besides, the Company also focuses on creating a safe and friendly working environment, organizing training programs to improve skills and develop management skills for key management personnel. In addition, to reduce dependence on manual labor, the Company is gradually investing in technology and automating some production stages, helping to improve work efficiency, reduce pressure on personnel, and optimize operating costs.

9. Other Risks

Natural events like epidemics, fires, or floods can significantly impact the Company's operations, reducing production capacity and increasing recovery costs. To mitigate these unpredictable risks, the Company has established specific plans, formed emergency response teams, and conducted drills. The Company has also purchased natural disaster insurance to minimize risks and facilitate recovery after damage.

8. Environmental Risks

The textile and garment industry is one of the industries that consumes large amounts of water, energy, and chemicals in the fiber production or dyeing and knitting process, and also generates many types of waste in gaseous, liquid, and solid forms, significantly impacting the surrounding environment. This not only increases environmental protection costs but also affects the demand for the Company's products, especially from foreign partners in developed markets such as the United States and Europe, where environmental standards are increasingly stringent.

To minimize environmental impact, the Company has implemented a wastewater treatment system to ensure treated wastewater meets standards. Additionally, the Company actively pursues Net Zero goals, including electricity and water conservation, and solar panel installation to reduce reliance on fossil fuels. These efforts not only minimize environmental impact but also enhance production sustainability, meeting stringent international market requirements and maintaining the Company's long-term competitive advantage.



PART

02

CORPORATE GOVERNANCE

- 01** Board of Directors
- 02** Board of Supervisors
- 03** Transactions, remuneration, and benefits of the Board of Directors, Board of Supervisors, and Executive Board





1. Structure and Members of Board of Directors

The Company's Board of Directors comprises five members. Three of them are non-executive directors: Mr. Nguyen Duc Tri, Mr. Nguyen Van Phong, and Mr. Nguyen Ngoc Binh, fulfilling the regulatory requirement for public companies to have at least 1/3 members of the Board be non-executive members.

Details about Board members are presented in the Organization and Personnel Information section in Chapter I.

2. Board of Directors Activities

The Board of Directors operates in compliance with legal regulations, the Charter, internal corporate governance regulations, Board of Directors operating regulations, and resolutions of the General Meeting of Shareholders.

The Board of Directors adheres to the principles of democratic centralism, emphasizing collective leadership coupled with individual responsibility. Quarterly meetings are chaired by the Chairman of the Board. Instead of establishing specialized subcommittees, the Board assigns specific tasks to each member, appoints a Board Secretary, and utilizes other management personnel to assist the Board when necessary. All resolutions and decisions are made through collective discussion, ensuring objectivity, maximizing members' intellectual contributions, and complying with the Board's authority as defined by law and the Company Charter.

Key members of the Executive Board and Board of Supervisors are invited to attend Board of Directors meetings held in-person or online, or receive complete documentation when Board members' opinions are sought in writing.

3. Board of Directors Meetings

In 2024, the Board of Directors held 21 meetings, including 04 in-person meetings and 17 written opinions. All Board members attended the meetings fully. Both in-person meetings and written opinion adhered to legal regulations and the Company Charter.

The Resolutions of the Board of Directors have been issued with proper authority, in accordance with the Company's Charter, timely, suitable to the actual operating situation, and actively supporting the executive body in managing and operating the Company's production and business activities.

In addition to regular and ad-hoc meetings by topic or by written submissions from the executive body, Board of Directors members regularly exchange and coordinate to resolve arising issues. In the meetings, the number of members participating ensures compliance with the provisions of the Law and the Company's Charter, and the Head of the Board of Supervisors is invited to participate in all meetings as regulated.

The Board of Directors' supervision of the Executive Board is carried out through monthly planned direct work with departments to grasp the production and business situation. After supervision, the Board of Directors directed the Executive Board to implement several solutions to overcome shortcomings, boost production, and improve the business efficiency of member units.





4. Resolutions/Decisions of the Board of Directors

| No. | Resolution/ Decision Number | Date | Content | Approval Rate |
|-----|-----------------------------------|-------------------|--|------------------|
| 1 | Resolution No. 125/NQ-HĐQT | January 18, 2024 | Approval of 2023 business results and 2024 task plan | 100% |
| 2 | Decision No. 127/QĐ-HĐQT | January 18, 2024 | Decision to approve the General Director's salary in 2024. | 100% |
| 3 | Decision No. 156/QĐ-HĐQT | January 27, 2024 | Decision to approve the renovation of power and lighting systems in the relocation area of the Garment factory 1 | 100% |
| 4 | Resolution No. 167/QĐ-HĐQT | January 29, 2024 | Resolution approving transactions with related parties | 100% |
| 5 | Decision No. 219/QĐ-HĐQT | February 27, 2024 | Resolution on final time to close the list of shareholders attending the General Meeting of Shareholders | 100% |
| 6 | Resolution No. 354/NQ-HĐQT | March 28, 2024 | Approval of contents to be submitted to the 2024 Annual General Meeting of Shareholders | 100% |
| 7 | Resolution No. 355/NQ-HĐQT | March 28, 2024 | Approval of the policy of transferring or divesting capital from enterprises in which the Company is contributing capital. | 100% |
| 8 | Decision No. 381/QĐ-HĐQT | April 08, 2024 | Decision approving the adjustment of the budget for renovating the power and lighting systems in the relocation area of the May 1 factory. | 100% |
| 9 | Decision No. 407/NQ-HĐQT | April 16, 2024 | Approving the leadership planning for the period 2025 - 2030 | 100% |
| 10 | Decision No. 407/NQ-HĐQT | April 16, 2024 | Approving the leadership planning for the period 2025 - 2030 | 100% |
| 11 | Decision No. 491/QĐ-HĐQT | May 08, 2024 | Decide on the salaries of the members of the Company's Executive Board. | 100% |
| 12 | Resolution No. 492/NQ-HĐQT | May 08, 2024 | Approval of the policy of purchasing 7-seat cars to serve guests | 100% |
| 13 | Decision No. 541/QĐ-HĐQT | May 23, 2024 | Approval of construction drawing design and total investment estimate for construction of 3-storey garment factory | 100% |
| 14 | Decision No. 542/QĐ-HĐQT | May 23, 2024 | Approval of adjustment of implementation time of investment project to build 3-storey garment factory | 100% |
| 15 | Decision No. 564/QĐ-HĐQT | May 28, 2024 | Decision to promulgate the salary framework for the Company's Executive Board. | 100% |
| 16 | Decision No. 565/QĐ-HĐQT | May 28, 2024 | Decision on issuing salaries for members of the Company's Executive Board. | 100% |

| No. | Resolution/ Decision Number | Date | Content | Approval Rate |
|-----|-----------------------------------|--------------------|--|------------------|
| 17 | Resolution No. 606/NQ-HĐQT | June 11, 2024 | Approval of interim dividend payment for 2024 | 100% |
| 18 | Resolution No. 750/NQ-HĐQT | July 20, 2024 | Approving the business production results of the first 6 months of the year and the plan for the last 6 months of 2024 | 100% |
| 19 | Decision No. 876/NQ-HĐQT | August 27, 2024 | Decision to allow bidding for the construction package of the main production workshop under the investment project to build a 3-storey garment factory | 100% |
| 20 | Resolution No. 987/NQ-HĐQT | September 24, 2024 | Approval of borrowing capital at Vietnam Joint Stock Commercial Bank For Industry And Trade - Hue branch | 100% |
| 21 | Resolution No. 989/NQ-HĐQT | September 24, 2024 | Approval of borrowing capital at Joint Stock Commercial Bank For Investment And Development Of Vietnam - Hue branch | 100% |
| 22 | Resolution No. 991/NQ-HĐQT | September 24, 2024 | Approval of the addition of signing contracts with relevant units | 100% |
| 23 | Decision No. 1047/QĐ-HĐQT | October 8, 2024 | Approval of additional cost items for the investment project to build a 3-storey garment factory | 100% |
| 24 | Decision No. 1086/QĐ-HĐQT | October 21, 2024 | Approval of contractor selection results for the main production construction package of the 3-storey Garment factory construction investment project | 100% |
| 25 | Resolution No. 1096/NQ-HĐQT | October 24, 2024 | Approving the business results of the first 9 months of the year and implementing the plan and tasks for the last 3 months of the year, expected results in 2024 | 100% |
| 26 | Resolution No. 1103/NQ-HĐQT | October 24, 2024 | Approval of borrowing capital at Joint Stock Commercial Bank for Foreign Trade of Vietnam - Hue branch | 100% |
| 27 | Resolution No. 1199/NQ-HĐQT | November 21, 2024 | Approval of the second interim dividend payment for 2024 | 100% |
| 28 | Resolution No. 1299/NQ-HĐQT | December 24, 2024 | Board Resolution on personnel work | 100% |
| 29 | Decision No. 1301/QĐ-HĐQT | December 24, 2024 | Decision to remove Mr. Nguyen Van Phong from the position of General Director | 100% |
| 30 | Decision No. 1305/QĐ-HĐQT | December 24, 2024 | Decision to appoint Ms. Nguyen Hong Lien as General Director | 100% |
| 31 | Resolution No. 1316/NQ-HĐQT | December 24, 2024 | Resolution approving the 2024 business results and 2025 task plan | 100% |

5. Corporate governance programs that the Board of Directors participated in

In 2024, the Board of Directors sent representatives to participate in events and seminars on corporate governance organized by the State Securities Commission and several other organizations.

| No. | Time | Seminars/Events |
|-----|---------|---|
| 1 | 03/2024 | Training conference on the registration dossier for offering and issuing securities organized by the State Securities Commission. |
| 2 | 06/2024 | The conference "Key issues in complying with securities and stock market regulations for public companies and listed companies; Errors in preparing and presenting financial statements of public companies and listed companies" organized by the State Securities Commission in collaboration with the Vietnam Association of Certified Public Accountants aims to guide public companies and listed companies in enhancing compliance with securities and stock market regulations and improving the quality of financial reporting disclosures. |
| 3 | 08/2024 | The "Conference of Securities Registration Organizations at VSDC in 2024" workshop organized by Vietnam Securities Depository (VSDC). |
| 4 | 09/2024 | The workshop "Improving the effectiveness of corporate governance in public companies through internal regulations" organized by FPT Securities JSC with professional support from the Ho Chi Minh City Stock Exchange. |
| 5 | 10/2024 | Workshop launching, introducing, and guiding the use of the Handbook on ESG implementation and disclosure organized by the SSC. |



1. Composition and structure of the Board of Supervisors

Details of the members of the Board of Supervisors are presented in the section on Information on Organization and Personnel in Chapter I.

2. Activities of the Board of Supervisors

The Board of Directors operates on the principle of compliance with the provisions of law; Charter, Internal regulations on corporate governance and Resolutions of the General Meeting of Shareholders.

In 2024, the Board of Supervisors carried out the following activities and tasks:

- Based on the Resolution of the 2024 Annual General Meeting of Shareholders and the Resolutions/Decisions of the Board of Directors, the Board of Supervisors supervised and evaluated the Board of Directors' activities in implementing the contents according to the Resolution passed by the General Meeting of Shareholders.
- Supervise the Company's financial situation; Inspect and evaluate the honesty and reasonableness of accounting records, in accordance with applicable accounting standards and accounting regimes.
- Appraise the quarterly financial statements, semi-annual financial statements, 2024 annual financial statements, and the 2024 production and business performance evaluation report of the Company.
- The Board of Supervisors regularly exchanges and consults to grasp the situation and management work of the Board of Directors and the Executive Board of the Company, to ensure the highest interests of shareholders.
- During the year, the Board of Supervisors held 03 meetings to evaluate the Company's production and business activities and consult to agree on selecting KPMG Limited Liability Company as the unit to audit the Company's 2024 financial statements.



TRANSACTIONS, REMUNERATION, AND BENEFITS OF THE BOARD OF DIRECTORS, BOARD OF SUPERVISORS, AND EXECUTIVE BOARD



1. Salary, bonus, remuneration, benefits

Unit: VND

| No. | Name | Position | Remuneration, salary, bonus |
|-------------------------|----------------------|------------------------------------|-----------------------------|
| I Board of Directors | | | |
| 1 | Mr Nguyen Duc Tri | Chairman of the Board of Directors | 420,000,000 |
| 2 | Mr Nguyen Van Phong | Member of the Board of Directors | 84,000,000 |
| 3 | Ms Nguyen Hong Lien | Member of the Board of Directors | 84,000,000 |
| 4 | Mr Nguyen Ngoc Binh | Member of the Board of Directors | 84,000,000 |
| 5 | Mr Le Hong Quan | Member of the Board of Directors | 84,000,000 |
| II Board of Supervisors | | | |
| 1 | Ms Phan Nu Quynh Anh | Head of the Board of Supervisors | 316,367,798 |
| 2 | Mr Ho Nam Phong | Members of Board of Supervisors | 524,712,347 |
| 3 | Ms Pham Thi Van Ha | Members of Board of Supervisors | 80,100,000 |

| No. | Name | Position | Remuneration, salary, bonus |
|---------------------|-------------------------|---|-----------------------------|
| III Executive Board | | | |
| 1 | Mr Nguyen Van Phong | General Director (until December 31, 2024) | 1,541,564,000 |
| 2 | Mr Ho Ngoc Lan | Deputy General Director | 783,402,602 |
| 3 | Mr Le Hong Quan | Deputy General Director | 987,000,986 |
| 4 | Mr Nguyen Tien Hau | Deputy General Director | 1,0007,154,381 |
| 5 | Ms Nguyen Hong Lien | Deputy General Director (until December 31, 2024) | 977,110,409 |
| 6 | Mr Dao Van Tu | Executive Director | 838,262,695 |
| 7 | Ms Tran Thi Thuan | Executive Director | 840,262,695 |
| 8 | Mr Nguyen Ba Khanh Tung | Executive Director | 895,611,019 |
| 9 | Ms Nguyen Khanh Chi | Chief Accountant | 753,191,822 |

TRANSACTIONS, REMUNERATION, AND BENEFITS OF THE BOARD OF DIRECTORS, BOARD OF SUPERVISORS, AND EXECUTIVE BOARD



2. Contracts or transactions with internal persons

| No. | Name of organization/ individual | Relationship with the Company | NSH No.*, date of issue, place of issue | Address of head office | Time of transaction | Resolution/ Decision No. of the General Meeting of Shareholders/ Board of Directors | Content, quantity, total value of transaction | Note |
|-----|---|------------------------------------|--|---|---------------------|---|--|---|
| 1 | Vietnam National Textile and Garment Group | Major shareholder - Parent company | No. 100100008, date of issue: 2021-10-06, place of issue: Hanoi Department of Planning and Investment | 25 Ba Trieu, Hang Bai, Hoan Kiem, Hanoi | 2024 | Resolution 167/ NQ-HĐQT dated January 29, 2024 | Property leasing, sales agency, loan transactions | - Regular transactions, less than 20% of the Company's total assets recorded in the most recent financial statements; - Regular lending transactions less than 10% of the Company's total assets according to the most recent report |
| 2 | Hoa Tho Textile and Garment Joint Stock Corporation | Related Party of internal persons | No. 400101556, date of is-sue: 2022-06-28, place of issue: Da Nang City Depart-ment of Planning and In-vestment | 36 Ong Ich Duong, Hoa Tho Dong, Cam Le, Da Nang | 2024 | Resolution 167/ NQ-HĐQT dated January 29, 2024 | Garment processing. Buying and selling goods. | Regular transactions, less than 20% of the Company's total assets recorded in the most recent financial statements |
| 3 | Thien An Phat Textile and Garment Invest-ment Joint Stock Company | Related Party of internal persons | No. 3300542464, date of issue: 2024-02-22, place of issue: Thua Thien Hue Pro-vincial Department of Plan-ning and Investment | Road No. 5, An Hoa Industrial Park, An Hoa, Hue City | 2024 | Resolution 167/ NQ-HĐQT dated January 29, 2024 | Garment processing, embroidery processing, laundry processing. Buying and selling raw materi-als and accessories for the garment industry. | Regular transactions, less than 20% of the Company's total assets recorded in the most recent financial statements |
| 4 | Thien An Thinh Tex-tile and Garment In-vestment Joint Stock Company | Related Party of internal persons | No. 3301532155, date of issue: 2023-12-28, place of issue: Thua Thien Hue Pro-vincial Department of Plan-ning and Investment | Phu Bai Industrial Park, Phu Bai Ward, Huong Thuy Town, Thua Thien Hue Prov-ince, | 2024 | Resolution 167/ NQ-HĐQT dated January 29, 2024 | Fabric processing. | Irregular transactions, less than 20% of the Company's total assets recorded in the most recent financial statements |
| 5 | Thien Tin Production and Trading Company Lim-ited | Related Party of internal persons | No. 400509320, date of is-sue: 2024-01-22, place of issue: Da Nang City Depart-ment of Planning and In-vestment | 19-21 Cam Bac 1, Hoa Tho Dong, Cam Le, Da Nang | 2024 | Resolution No. 991/ NQ-HĐQT, dated September 24, 2024 | Garment processing. Buying and selling goods. | Regular transactions, less than 20% of the Company's total assets recorded in the most recent financial statements |

TRANSACTIONS, REMUNERATION, AND BENEFITS OF THE BOARD OF DIRECTORS, BOARD OF SUPERVISORS, AND BOARD OF MANAGEMENT



3. Evaluation of the implementation of corporate governance regulations

The Board of Directors, Board of Supervisors, Executive Board, Corporate Governance Officer, Company Secretary, and other management personnel actively participated in seminars and discussions on the Law on Enterprises, the Law on Securities, and guiding documents from the State Securities Commission and the Hanoi Stock Exchange, along with contributions from other consulting units, to enhance corporate governance and information disclosure, especially in the context of the Ministry of Finance issuing Circular 68/2024/TT-BTC on 2024-09-16, effective from 2024-11-02, requiring large-scale public companies like HUEGATEX to disclose information bilingually. This not only enhances the corporate governance expertise of the Company's personnel but also improves access to external capital, contributing positively to increasing enterprise value, mitigating risks, and promoting sustainable development.

In addition to focusing on achieving the best results for the targets and tasks as per the Resolutions of the General Meeting of Shareholders and the Resolutions of the Company's Board of Directors, the Board of Directors, Board of Supervisors, Executive Board, Company Secretary, and other management personnel paid special attention to the transparency of the company's operations and information disclosure, implementing them strictly, promptly, and within the prescribed timeframe. Concurrently, the Company conducted the Annual General Meeting of Shareholders and paid dividends to shareholders on time according to the Law on Enterprises, thereby ensuring the rights and interests of shareholders.

PART

03

OPERATING STATUS

- 01 2024 operating status
- 02 Report of the Executive Board
- 03 Report of the Board of Directors





1. 2024 Context



Slow and Uneven Global Economic Growth

In 2024, the global economy continued its recovery process, but it was slow and uneven. Many risks related to supply chains and international commodity prices showed no signs of abating, although global inflation levels have improved significantly compared to 2023. Many major economies have begun cutting interest rates, easing financial conditions. The global unemployment rate is now decreasing, and there are even labor shortages in many places.

The world's three largest economies all face their own challenges: The United States is seeing positive growth thanks to improved consumer spending, business investment, and exports. Conversely, the European Union is still struggling



Monetary easing has not significantly impacted consumer demand

In 2024, tight monetary policies in many countries helped control inflation without significantly impacting economic growth. Many large economies, especially the United States, saw inflation gradually return to the 2% target set by the Central Bank, while economic activity remained stable. Although the fight against inflation is not entirely over, policymakers have sufficient grounds to adjust monetary policy direction.

with high energy costs and a slow recovery, while China is still striving to transform its economic growth model and address high unemployment. Monetary policy adjustments are being made cautiously by each country, based on actual data, to ensure long-term inflation control. In addition, countries are also promoting domestic market reforms towards greater greening to promote sustainable economic growth and increase future competitiveness. Tensions in international trade, between the United States and China, Russia and the West, and especially the armed conflict between Russia and Ukraine, are also hindering global economic growth.

In response to this development, major central banks such as the US Federal Reserve, the European Central Bank, the Bank of England, and the Swiss National Bank began to ease policy. Along with that, many central banks in emerging and developing economies also adjusted interest rates downwards; however, these easing moves have not yet had a profound impact on people's demand for shopping and consumption of goods.



Vietnam's economy is on the path to recovery.

Vietnam's economy in 2024 successfully reached the finish line with a growth rate of 7.09%, exceeding the target of 6.5% - 7% set by the National Assembly. Merchandise export turnover in 2024 reached 405.53 billion USD, an increase of 14.3% compared to the previous year, more than double the target set in Resolution No. 01/NQ-CP on January 01, 2024 (+6%). Although imports also increased sharply, exports helped maintain a large trade surplus of 24.77 billion USD. Contributing partly to this, textile and garment exports reached 44 billion USD, an increase of 11.26% compared to 2023. Facing unpredictable developments in the international market, the domestic textile and garment industry remained steadfast and flexible, taking advantage of opportunities to achieve remarkable results.



Vietnam's textile and garment industry maintains steady growth.

In 2024, the global context continued to evolve complexly and unpredictably, with escalating conflicts in many regions, fluctuating gasoline prices and freight rates, slow recovery of trade and economy, especially a decline in total global investment, natural disasters, climate change, and complex energy security developments. Vietnam's textile and garment industry still maintained a considerable growth rate. This result was partly achieved due to policy advocacy activities, contributing to removing difficulties for businesses. Along with that are in-depth domestic and international trade promotion activities to expand export markets and diversify customer groups and product lines.





2. Production and business results in 2024 compared to the same period and compared to the plan

| No. | Indicator | Unit | Actual 2023 | Plan 2024 | Actual 2024 | Actual 2024 / Actual 2023 | Actual 2024/ Plan 2024 |
|----------------|---|-----------------|-------------|-----------|-------------|---------------------------|------------------------|
| I Main product | | | | | | | |
| 1 | All kinds of yarn (Converted Ne 30) | Ton | 8,900 | 10,100 | 9,364 | 105.21% | 92.71% |
| 2 | Knitted fabric | Ton | 1,118 | 1,030 | 1,352 | 120.93% | 131.26% |
| 3 | Garment products | Thousand pieces | 19,700 | 25,100 | 21,800 | 110.66% | 86.85% |
| II | Revenue | Billion VND | 1,884 | 1,920 | 2,010.0 | 106.69% | 104.69% |
| 1 | Yarn | Billion VND | 610 | 680 | 692.3 | 113.49% | 101.81% |
| 2 | Garment | Billion VND | 1,202 | 1,202 | 1,224.3 | 101.86% | 101.86% |
| 3 | Other (including Store and financial revenue) | Billion VND | 72 | 34 | 93.4 | 129.72% | 274.71% |
| III | Export turnover | Million USD | 104 | 114.6 | 108.7 | 104.52% | 94.85% |
| 1 | Yarn (including trading) | Million USD | 23 | 25.5 | 22.7 | 98.70% | 89.02% |
| 2 | Garment | Million USD | 81 | 89.2 | 86.6 | 106.91% | 97.09% |
| IV | Profit before tax | VND | 121 | 110 | 137.3 | 113.47% | 124.82% |
| V | Budget contribution | VND | 46 | 62 | 70.1 | 152.39% | 113.06% |

For HUEGATEX, in 2024, although large orders declined somewhat, thanks to the strategy of customer diversification and seeking new partners and customers, many new orders emerged. The factories have performed well in production activities, improved labor productivity, ensured product quality, and managed costs well, contributing to improving the Company's production and business efficiency. The Company's product quality is always stable, trusted and highly appreciated by customers. Jobs and income of employees are maintained and stable.



2. Production and business results in 2024 compared to the same period and compared to the plan. (Cont.)

Total revenue in 2024 reached 2,010 billion VND, a growth of 6.7% compared to 2023, reaching 104.7% of the 2024 plan. Total export turnover reached 108.7 USD, a growth of 4.5% over the same period last year. In particular, the contribution of the Company's key product lines is as follows:

Yarn Segment

2024 continued to be a challenging year for the Company's Yarn segment as the market suffered many adverse impacts. Input material prices continued to fluctuate, while yarn prices remained low, especially in the second half of the year. At the same time, input costs such as electricity and wages increased significantly, putting great pressure on product costs and reducing profit margins.

However, despite these difficulties, fiber sales revenue reached 692.3 billion VND, equivalent to 101.8% of the annual plan and a 13.5% increase compared to the same period in 2023. This result demonstrates the Company's efforts in maintaining output and expanding the consumer market, despite fierce competition in the industry.

In terms of output, the Company achieved 9,364 tons of fiber, completing 92.7% of the annual plan, a 5.2% increase compared to the same period last year, with product quality continuing to be guaranteed with 100% of the fiber reaching Grade I. In 2024, the Company upgraded machinery systems and invested in automated equipment, leading to a slowdown in production during the disassembly and reassembly period. The machinery upgrade was carefully calculated when planning production, but in reality, there were many unforeseen difficulties, so the output was not as expected.

Overall, despite the many challenges in 2024, the Company still maintained a certain growth in revenue and profit. However, to further improve business results in the coming years, stricter quality control and production cost optimization are key factors that need to be focused on.



Textile Dyeing - Sewing Sector

In 2024, the Company's Sewing sector continued to face many challenges due to the impact of fluctuations in major economies, especially the US market – the main export market. Market demand did not grow significantly, with orders mainly shifting from competing countries experiencing economic, political, and social instability. Processing prices did not increase, while customers set increasingly stringent requirements for product quality, management system operation, and compliance with social responsibility standards.

In addition, labor fluctuations, especially in the sewing department, affected the factories' ability to increase productivity, while creating great pressure in ensuring income and retaining workers. In this context, the Textile Dyeing Factory continues to be an important competitive advantage, helping to

increase the proportion of FOB orders, thereby improving the Company's production and business efficiency. Thanks to efforts in management and operational optimization, revenue from Sewing product sales reached 1,224.3 billion VND, completing 101.9% of the annual plan, a 1.9% increase compared to 2023.





3. Investment and Project Implementation Status



Projects completed and put into operation in 2024

The investment project for the boiler and heat transfer oil furnace system aims to ensure a stable supply of steam and heat for the production activities of the Textile Dyeing factory as well as the Sewing factories at the headquarters. The investment includes a 2 Mkal/h heat transfer oil furnace and a 7 T/h boiler, helping the business proactively source energy, optimize operating efficiency, and reduce dependence on external sources.

The project is implemented at the Company's headquarters with a total investment of 12,607,138,000 VND. The implementation period is from Quarter III/2023 to Quarter III/2024, ensuring the project is on schedule and meets the long-term production needs of the enterprise.



Projects under implementation

The project to build a 3-story Garment Factory with a minimum capacity of 12 million products/year (polo shirts, T-shirts, etc.) is being implemented to improve production and business efficiency, increase competitiveness, and promote the sustainable development of the Company. The factory is equipped with modern production lines, ensuring product quality, meeting market demand, and being recognized by partners. The factory investment not only helps the Company generate stable revenue and profit over the next 10 years but also optimizes land use efficiency, in line with the overall development plan of Thua Thien Hue province.

The project encompasses a three-story garment factory, contributing to local industrialization and modernization, creating stable jobs and income for nearly 2,000 workers. This aligns with Thua Thien Hue province's socio-economic development policy and the general direction of the Party and State. The factory has a scale of 40 production lines, of which 32 reuse equipment from Garment Factory 1 and 2, while 8 new lines are invested with a hanging system to increase productivity and optimize labor. This is a light industry project, level II, with a construction area of 8,050 m² and a total floor area of 25,350 m², including three main floors and a mezzanine. The total investment capital of the project is up to 246,975,487,000 VND. The project commenced on October 23, 2024, has completed the foundation and wall sections, and is expected to be completed in Q4/2025.

In addition, the Company is also investing in and upgrading machinery and equipment for product manufacturing to ensure productivity, such as:

- Supplementing equipment for Yarn Factory 2023;
- Supplementing equipment for Weaving and Dyeing Factory 2024;
- Investing in the Fire Protection System for Yarn Factory;
- Supplementing Yarn equipment 2024;
- Supplementing Garment equipment 2024.

Currently, these projects are under implementation and are expected to be completed and put into operation in 2025. The total investment for the above items is estimated at approximately 94 billion VND, promising to enhance production capacity and product quality in the coming time.



The 3-storey factory of Hue Textile Garment Joint Stock Company officially started construction on October 23, 2024, not only marking an important milestone in the development of the Company but also being the first style symbol for the green production trend in the Vietnamese textile and garment industry. This is a breakthrough in the steady development of HUEGATEX since its establishment in 1996, firmly affirming the company's leading position and strategic vision in the innovation movement of this industry.



4. Financial Situation

| No. | Indicator | Year 2023 | Year 2024 | Percentage 2024/2023 |
|-----|--|-----------|-----------|----------------------|
| 1 | Total assets | 1,206,141 | 1,136,855 | 94.26% |
| 2 | Net revenue | 1,842,265 | 1,953,401 | 106.03% |
| 3 | Cost of goods sold | 1,603,526 | 1,694,683 | 105.68% |
| 4 | Net profit from production and business activities | 119,491 | 133,847 | 112.01% |
| 5 | Other profit | 1,672 | 3,485 | 208.43% |
| 6 | Profit before tax | 121,162 | 137,332 | 113.35% |
| 7 | Profit after tax | 95,499 | 109,403 | 114.56% |
| 8 | Dividend payout ratio | 49,76% | 43,90% | 88.22% |
| 9 | Dividend Percentage on charter capital | 30% (*) | 30% (**) | 100.00% |

(*) 2023 Interim dividend in cash at a rate of 30%/share was paid on January 22, 2024

(**) 2024 Interim dividend in cash, the first payment at a rate of 10%/share was paid on July 25, 2024, and the second payment at a rate of 20%/share was paid on February 17, 2025.

In 2024, the Company's production and business activities recorded positive growth compared to 2023. Net revenue increased by 6.% year-on-year, while the cost of goods sold only increased by 5.7%. This difference is mainly due to the increase in the proportion of orders using fabrics produced by the Company, thereby significantly improving gross profit. Besides, during the year, the Company disposed of excess low-quality raw materials from processing activities, resulting in a sharp increase of 108.4% in other income compared to the previous year.

Thanks to the above favorable factors, the profit after tax in 2024 reached 109,403 million VND. Along with achieving positive business results, the Company made interim dividend payments and settled due debts, leading to a slight decrease in total assets. However, the Company's financial situation remains stable, flexible, and well-adapted to market fluctuations.



Key Financial Indicators

| Indicator | Unit | Year 2023 | Year 2024 |
|---------------------------------|-------|-----------|-----------|
| Liquidity ratios | | | |
| Current ratio | Times | 1.20 | 1.28 |
| Quick ratio | Times | 0.80 | 0.84 |
| Capital structure ratios | | | |
| Liabilities/Total Assets ratio | % | 68.91 | 63.64 |
| Liabilities/Equity ratio | % | 221.66 | 175.05 |
| Operating Capacity ratios | | | |
| Receivables turnover | Turn | 6.44 | 4.92 |
| Inventory turnover | Turn | 4.55 | 5.95 |
| Total asset turnover | Turn | 1.56 | 1.67 |
| Profitability ratios | | | |
| Net profit margin (ROS) | % | 5.18 | 5.60 |
| Return on average equity (ROAE) | % | 24.40 | 27.76 |
| Return on average assets (ROAA) | % | 8.08 | 9.34 |
| Operating profit margin | % | 6.49 | 6.85 |

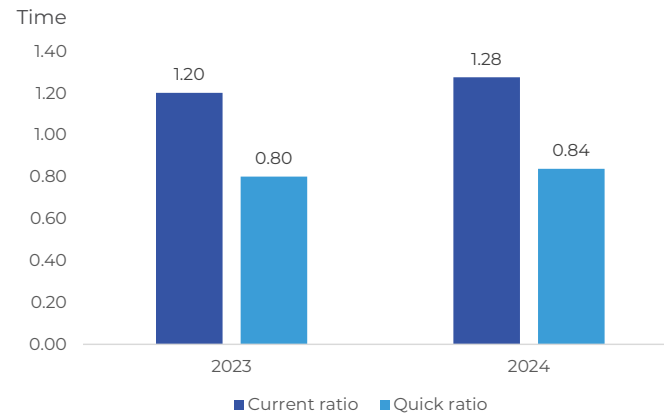


4. Tình hình tài chính (tt)



Liquidity Ratios

The Company's liquidity at the end of 2024 changed insignificantly compared to the same period last year. Specifically, the current ratio increased from 1.20 times to 1.28 times, while the quick ratio increased from 0.80 times to 0.84 times, largely due to changes in financial policy. Specifically, at the end of 2023, the Company recorded high short-term borrowings and lease liabilities. Therefore, to reduce pressure on cash flow, the Company proactively reduced this borrowing value from over 410 billion VND to about 351 billion VND. At the same time, cash and cash equivalents, along with short-term financial investments (which are term deposits), also decreased correspondingly but to a greater extent due to the Company's investment in the construction

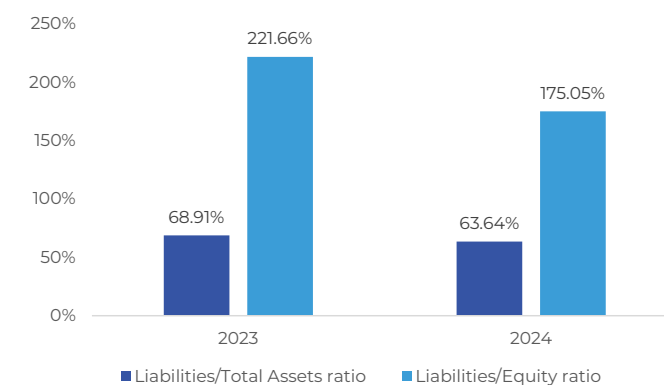


of the new 3-story Garment Factory. This led to a slight adjustment in the ratios reflecting the Company's liquidity, although the degree of change is not too significant.



Capital Structure ratios

Adjustments in financial policies also impact the Company's capital structure indicators. Specifically, at the end of 2024, the Liabilities/Total Assets ratio decreased from 68.91% to 63.64%, while the Liabilities/Equity ratio also adjusted from 221.66% to 175.05%. Maintaining financial leverage is characteristic of the Company in the garment manufacturing and trading sector, which has a high capital turnover rate, requiring appropriate funding sources to ensure continuous production and business operations. This adjustment not only reflects the Company's proactive ability to balance its capital structure but

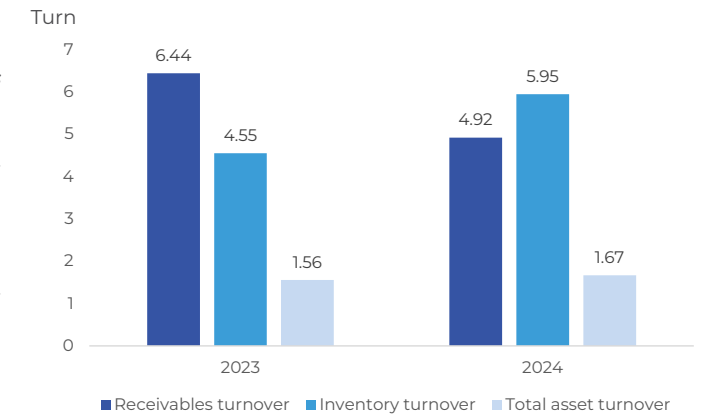


also demonstrates its solid reputation with commercial banks, ensuring access to capital when needed.



Operating Capacity ratios

Revenue in 2024 improved compared to 2023, contributing to the enhancement of most indicators reflecting the Company's operating capacity. Specifically, inventory turnover increased from 4.55 to 5.95, while total asset turnover also improved from 1.56 to 1.67. These figures indicate that the Company is effectively leveraging its advantages in facilities and customer relationships to drive growth. In addition, the low global cotton prices at the end of the year created a favorable opportunity for the Company to boost raw material imports, optimize production costs, and improve profits in the coming periods. To capitalize on this advantage, the Company increased prepayments to suppliers, reflected in the sharp increase in short-term prepayments to sellers from 19 billion VND to over 81 billion VND. Although short-term

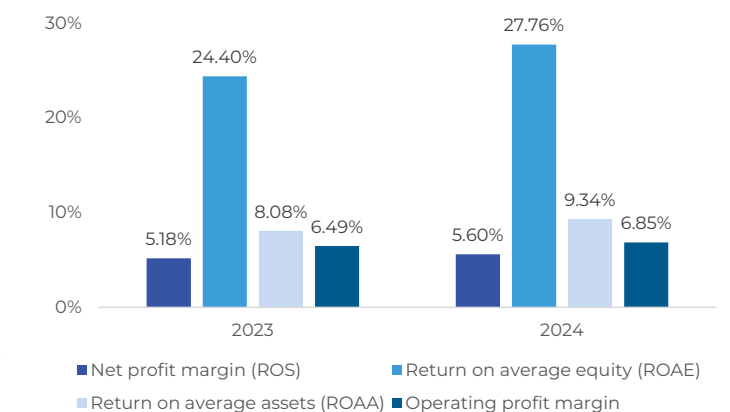


receivables from customers did not change significantly compared to the end of 2023, the sharp increase in prepayments caused the receivables turnover ratio to decrease from 6.44 to 4.92. This reflects the Company's proactive strategy in securing input materials, contributing to production stability in a volatile market.



Profitability Ratios

By effectively capitalizing on opportunities arising from global fluctuations, the Company's profitability indicators all increased compared to the previous year. Specifically, ROS, ROAE, ROAA, and Operating profit margin increased from 5.18%, 24.40%, 8.08%, and 6.49% to 5.60%, 27.76%, 9.34%, and 6.85%, respectively. The simultaneous growth in these indicators demonstrates that the Company not only improved profitability but also enhanced the efficiency of capital and asset utilization. This affirms the proactive financial strategy, adaptability to the market, and enhanced



competitiveness, helping the Company maintain a solid position amidst the ongoing volatility in the global economy.



1. Business Performance Compared to the 2024 Plan

| No. | Indicator | Unit | Actual 2023 | Plan 2024 | Actual 2024 | Actual 2024 / Actual 2023 | Actual 2024/ Plan 2024 |
|-----------------------|---|-----------------|-------------|-----------|-------------|---------------------------|------------------------|
| I Main product | | | | | | | |
| 1 | All kinds of yarn (Converted Ne 30) | Ton | 8,900 | 10,100 | 9,364 | 105.21% | 92.71% |
| 2 | Knitted fabric | Ton | 1,118 | 1,030 | 1,352 | 120.93% | 131.26% |
| 3 | Garment products | Thousand pieces | 19,700 | 25,100 | 21,800 | 110.66% | 86.85% |
| II Revenue | | Billion VND | 1,884 | 1,920 | 2,010.0 | 106.69% | 104.69% |
| 1 | Yarn | Billion VND | 610 | 680 | 692.3 | 113.49% | 101.81% |
| 2 | Garment | Billion VND | 1,202 | 1,202 | 1,224.3 | 101.86% | 101.86% |
| 3 | Other (including Store and financial revenue) | Billion VND | 72 | 34 | 93.4 | 129.72% | 274.71% |
| III Export turnover | | Million USD | 104 | 114.6 | 108.7 | 104.52% | 94.85% |
| 1 | Yarn (including trading) | Million USD | 23 | 25.5 | 22.7 | 98.70% | 89.02% |
| 2 | Garment | Million USD | 81 | 89.2 | 86.6 | 106.91% | 97.09% |
| IV Profit before tax | | VND | 121 | 110 | 137.3 | 113.47% | 124.82% |
| V Budget contribution | | VND | 46 | 62 | 70.1 | 152.39% | 113.06% |

2. Assessment of Operating Results



Market Activities

Despite the uncertainties in the market in 2024, especially in the Yarn market, the Yarn Sales Department and the Garment Market Departments actively explored the market and sought orders to ensure stable production for the Yarn, Dyeing, and Garment sectors, maintain employment, and increase income for employees.

- Regarding the Yarn market: based on research results and forecasts for the raw material and yarn market, the Company reduced its market share in Europe to approximately 14%, Taiwan by 4.2%, and developed new markets in China, South Korea, and local exports. Consequently, the Company developed new product lines suitable for its production capacity, such as CVC, TC regular yarn, and recycled yarn, and found new potential customers, meeting stringent quality requirements, especially increasing efficiency compared to receiving orders from Europe.
- Regarding the Garment market: order reception was relatively favorable, with a shift in proportions among customers. However, traditional customers still accounted for a large proportion of orders, especially with the development of new brands such as SOUTHERN PROPER, EXPRESS. Simultaneously, expanding production scale at the Quang Binh branch with the BEN HOGAN and GRANDSLAM brands of Aurora customer helped increase the number of orders for the Textile Dyeing factory, enabling the factory to maximize capacity in the final months of the year. In addition, the Company also developed new customers, WOTA, TEXRAY, and VTJ, to receive large orders for the factories.





2. Assessment of Operating Results (Cont)

Production Management

The factories performed well in production, improved labor productivity, ensured product quality, and managed costs effectively. At the same time, the Company has gradually applied Industry 4.0 technology solutions, digital transformation, and automation to management and production, contributing to improving the Company's business production efficiency. The Company's product quality remains stable, trusted, and highly regarded by customers.

Financial Management

The Company always ensures sufficient capital for its production, business activities, and investments. It utilizes various financial tools to balance cash flow, ensure payments, maintain deposit balances, and make appropriate financial investments, saving financial costs for the Company. Tax reporting, financial reporting, management reporting, and Group reporting, monthly and quarterly, are carried out seriously and on schedule, with increasing emphasis on report quality.

Investment Activities

The Company implemented seven investment projects (including four new investment projects and three ongoing investment projects). The total investment of the projects is 315.2 billion VND, of which 134.3 billion VND was disbursed in 2024. The key project is the construction of a three-story Garment factory, which commenced on October 23, 2024 and has now completed the foundation and wall sections.



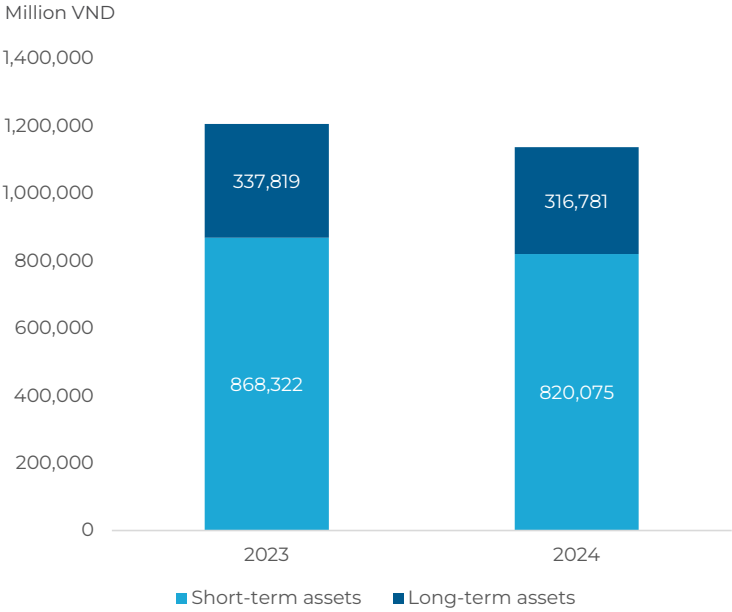


3. Financial Situation



Asset Status

| Indicator | 31/12/2023 | | 31/12/2024 | | 2024/2023 |
|-------------------|------------------------|-------------------|------------------------|-------------------|-----------|
| | Value (Million VND) | Percentage (%) | Value (Million VND) | Percentage (%) | |
| Short-term assets | 868,322 | 71.99% | 820,075 | 72.14% | -5.56% |
| Long-term assets | 337,819 | 28.01% | 316,781 | 27.86% | -6.23% |
| Total assets | 1,206,141 | 100% | 1,136,855 | 100% | -5.74% |

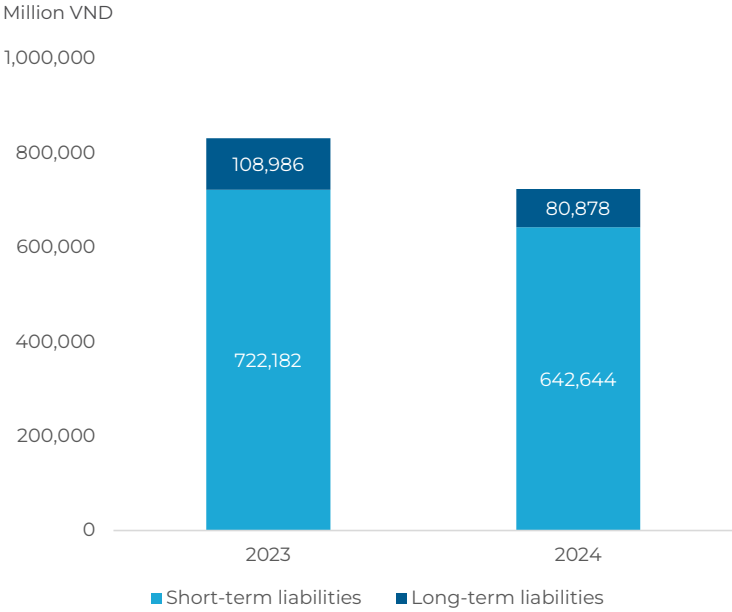


As a consumer goods manufacturing enterprise, the Company’s asset structure primarily focuses on short-term assets. At the end of 2024, the ratio between short-term and long-term assets did not change significantly compared to the end of 2023. However, in absolute terms, total assets decreased by 5.7% compared to the same period. The main reason is the Company’s payment of 2023 dividends at a rate of 30%/share and the first interim dividend payment for 2024 at a rate of 10%/share. Simultaneously, the Company also implemented a plan to replace machinery and equipment for the Textile Dyeing factory and the Garment factory, leading to a sharp decrease in highly liquid items. Specifically, the total value of “Cash and cash equivalents” and “Short-term financial investments” decreased by nearly 44% compared to the end of the previous year. However, this decrease did not negatively affect the Company’s production and business activities. The Company maintained effective inventory control and management of short-term receivables, contributing to ensuring stable operating cash flow.



Liabilities Status

| Indicator | 31/12/2023 | | 31/12/2024 | | 2024/2023 |
|------------------------|------------------------|-------------------|------------------------|-------------------|-----------|
| | Value (Million VND) | Percentage (%) | Value (Million VND) | Percentage (%) | |
| Short-term liabilities | 722,182 | 86.89% | 642,644 | 88.82% | -11.01% |
| Long-term liabilities | 108,985 | 13.11% | 80,878 | 11.18% | -25.79% |
| Total liabilities | 831,167 | 100% | 723,522 | 100% | -12.95% |



As a Company in the consumer goods manufacturing industry, the Company has a large working capital demand, leading to short-term debt often dominating the payable structure. By the end of 2024, the structure between short-term and long-term debt did not change significantly compared to the same period last year. However, in absolute terms, total short-term debt decreased by 12.95% compared to the end of 2023. The main reason is due to the Company improving inventory management efficiency, thereby reducing the “Short-term payables” item compared to the same period. In addition, the Company also proactively restructured loans, switching from domestic currency loans to foreign currency loans to take advantage of attractive import cotton prices in the international market.



4. Improvements in Organizational Structure, Policies, and Management

Human Resources

In 2024, the Company’s average number of employees reached 4,269, a decrease of 5% (equivalent to 220 people) compared to 2023. The labor fluctuation Percentage increased mainly due to the impact of the one-time social insurance withdrawal policy, the trend of labor export, and competition for human resources from the service and transportation sectors. Facing this situation, the Company has proactively applied many solutions to attract and retain personnel, including salary support, increased income, organizing welfare programs such as birthdays, travel, study tours, supporting employees in difficulty, helping to create motivation and enhance employee engagement.

To ensure stable production and business activities, the Company appointed 09 leadership positions at the Head and Deputy Head of Department levels, helping to improve management efficiency and meet strategic requirements promptly. The appointed positions include Head of Yarn Business Department, Deputy Director of Garment Factory 3, three Deputy Heads of Garment Market Department, Deputy Head of Quality Management Department, Deputy Head of Research and Development Department, Deputy Head of Security Department, and concurrently appointed the position of Director of Garment Factory 3.

Systems

In 2024, the Company welcomed and passed all customer assessments of the Social, Security, and Quality Management systems according to important standards such as SLCP, WRAP, SCAN, GRS, OEKO-TEX, GMP, ISO 14001; organized reviews and revisions of the Company’s system documents to ensure legality, compliance with legal regulations, customer standards, and the actual situation at the Company.

Internal control activities in 2024 also brought positive results when inspections were carried out, detecting risks and errors in project records and data management at units, proposing remedial solutions, and controlling the remediation results of the units.

Digital Transformation

The Company has built and deployed garment production management software at garment factories, developed textile and dyeing production management software, human resource management software, document management software, and software serving administrative and office work.

5. Future Development Plan



Production and Business Plan

Currently, this Plan has not been approved by the General Meeting of Shareholders; the official Production and Business Plan will be presented in the Resolution of the 2025 Annual General Meeting of Shareholders.

| No. | Indicator | Unit | Plan 2025 |
|---------------|--|------------------|------------|
| 1 | Total revenue | Billion VND | 2,070 |
| 2 | Profit before tax | Billion VND | 140 |
| 3 | Total depreciation charged in the year | Billion VND | 62 |
| 4 | Export turnover | Million USD | 112.9 |
| Main products | | | |
| 5 | • Yarn output (Ne30) | Ton | 10,960 |
| | • Fabric output | Ton | 1,030 |
| | • Garment products | Million products | 23.5 |
| 6 | Average income | VND/person/month | 10,000,000 |





5. Future Development Plan



Solutions to Implement the Plan

Key
PRIORITIES

- Stabilize the organizational model, review planning, and consolidate leadership and management positions to meet the company's operational requirements in the new context.
- Research and invest in developing new products, customers, and markets for both the Yarn and Dyeing-Sewing industries, sufficient to compete in the market; develop the HUEGATEX brand.
- Invest resources in completing the quality management system, promoting innovation, comprehensive digital transformation in all activities, connecting ERP data, improving labor productivity, and enhancing operational efficiency and production and business management.
- Focus on assessment, training, compensation, and care for employees, retaining and attracting talent.
- Invest resources in environmental protection, fire prevention and safety, and occupational safety and health.
- Ensure capital sources for production, business activities, and development investment; manage financial and accounting risks; review regulations and policies to comply with legal requirements.

Internal Affairs
– Finance

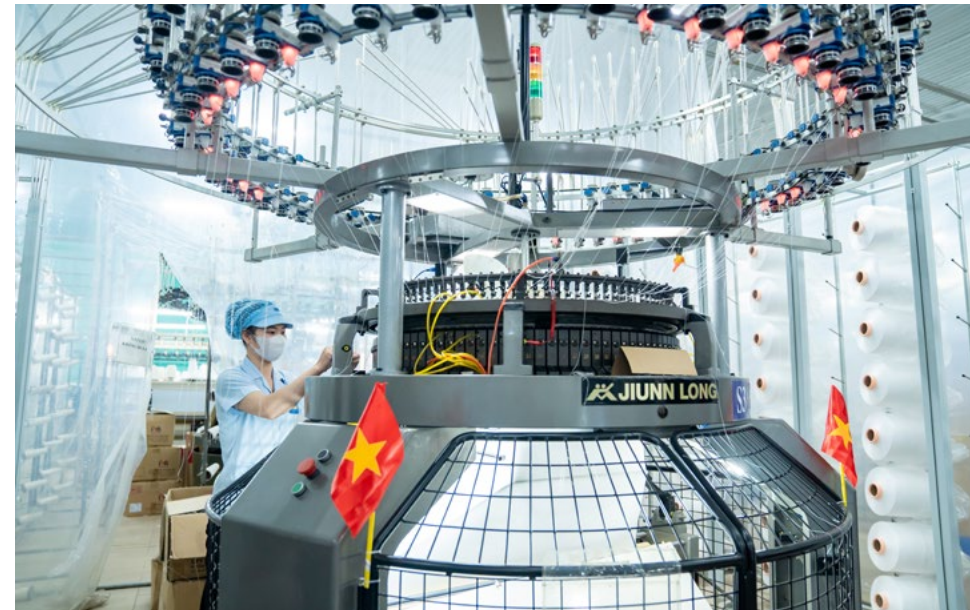
- Review and consolidate leadership and management positions to meet the company's operational requirements in the new context.
- Organize an evaluation and review of the leadership and management personnel planning list and develop appropriate training plans.
- Establish the Company's Board of Directors Office, carry out recruitment and training of qualified human resources to supplement the units.
- Continue to improve the tools for assessing the capacity of leaders, managers, and specialists of the units.
- Develop plans and implement training programs to improve capacity, train fiber – textile engineers, garment engineers,...
- Research methods and solutions to retain employees, maintaining the average number of employees as in 2024.
- Balance cash flow, control revenue and expenditure, closely monitor financial indicators, and ensure that financial indicators are always at a safe level.
- Complete the divestment from enterprises according to the Resolution of the 2024 Annual General Meeting of Shareholders.
- Coordinate with units to complete the collection of the Garment Factory 4 project deposit, convert the ownership of the Land Use Right Certificate, ownership of houses and other assets attached to land at the Quang Binh branch, convert the specialized level crossing at Km 693+ 340 into a public level crossing.
- Complete the Yarn and Garment industry management report template to update and compare uniformly with other units in the industry.
- Manage debt; implement risk management in accounting and finance, avoid bad debts and penalties for taxes, documents,...
- Continue to implement the digital transformation program for industries according to the set plan.



5. Future Development Plan



Solutions to Implement the Plan



Yarn Sector

- Maintain the goal of ensuring product quality.
- Implement solutions to increase labor productivity.
- Research and develop new product lines such as Ecovero, Lyocell, and Siro yarns to expand the market and exploit niche markets.
- Continue researching and implementing energy-saving and material cost-saving solutions, focusing on exploiting newly invested equipment and technologies.
- Maintain transactions with traditional customers, establish a balance, and avoid dependence on any single market.
- Implement the digitalization of the Yarn sector according to plan.



Weaving - Dyeing - Garment sector

- Maintain, review, and improve management systems to comply with legal requirements and customer standards.
- Focus on investing in human resources to conduct market analysis and research, and develop new product lines that meet market demands.
- Regularly interact with customers to gather information, analyze, forecast market trends, and plan for 2025 orders.
- Be proactive and flexible in production management, adapting to fluctuating labor conditions, increasingly stringent quality requirements, and customers requesting earlier deliveries than expected.
- Continue researching and investing in automation, disseminating innovation activities to increase labor productivity and operational efficiency.
- Focus on improving comprehensive management in all units, controlling waste in processes, ensuring delivery schedules and product quality to avoid incurring costs.
- Implement the investment plan for printing and washing equipment and research water-saving dyeing technologies, expanding the scale and capacity of the Dyeing-Garment Factory to meet customer needs and ensure sustainable development.
- Implement compliance with the U.S. government's regulations on product origin, develop supply chain management software for traceability, and store traceability documents.
- Analyze the effectiveness of the R&D department, develop a plan to engage deeply with customers in the design and development of new products, and guide customers to use products designed by the company.
- Implement the digitalization of the Dyeing-Sewing sector according to plan.



1. Assessment of the Board of Directors on the Company’s operating aspects

| No. | Indicator | Unit | Plan 2024 | Case 2024 | Case 2024/ plan 2024 |
|-----|---------------------|-------------|-----------|-----------|-------------------------|
| 1 | Total revenue | Billion VND | 1,920 | 2,010.07 | 104.69% |
| 2 | Profit before tax | Billion VND | 110 | 137.33 | 124.85% |
| 3 | Dividend Percentage | % | 30 | 30 | 100% |



The Board of Directors closely monitors the actual developments of the Company and the market, promptly proposes and makes reasonable decisions, creating favorable conditions for the Executive Board to effectively implement the production and business plan set forth by the General Meeting of Shareholders. Thanks to flexible direction and correct strategies, the Company has not only maintained stable operations in the context of many challenges but also exceeded the plan for total revenue, profit before tax, and dividend payout ratio. This is a clear demonstration of the effectiveness of corporate governance, resource optimization, and good use of market opportunities.

Not only focusing on the goal of revenue and profit growth, the Board of Directors is also responsible for monitoring and promoting activities related to the environment, social responsibility, and sustainable development. The Company has actively implemented programs to minimize environmental impacts, optimize energy and resources, and participate in community activities to contribute positively to society.

These efforts not only help the Company enhance its brand reputation and meet ESG standards but also create a long-term competitive advantage, ensuring sustainable development and bringing long-term value to shareholders, employees, and the community.

2. Assessment of the Board of Directors on the activities of the Company’s Executive Board

The Board of Directors acknowledges and highly appreciates the efforts of the Executive Board, especially in the context of a challenging market, but still successfully completes the task of directing production and business activities in accordance with the direction approved by the General Meeting of Shareholders.

The members of the Executive Board consistently demonstrate a high sense of responsibility, solid professional competence, and extensive experience in corporate management and administration. With a deep understanding of their respective fields, the Executive Board has made appropriate and timely decisions to adapt to real-world conditions to optimize business operations.

The General Director has assigned clear tasks to the Deputy General Directors and Executive Directors, while also organizing regular meetings to evaluate work performance, review progress, and implement appropriate plans.

The Executive Board has implemented production and business activities in accordance with the Resolution of the General Meeting of Shareholders, ensuring the efficient operation of the Company. In addition to managing business activities, the Executive Board also focuses on improving the quality of the management team, constantly improving management capacity to enhance operational efficiency and ensure the sustainable development of the Company.





3. Plans and orientations of the Board of Directors



In 2025, the Vietnamese Textile and Garment industry is expected to continue facing many challenges from both external and internal factors. The trade war between the world’s two largest economies could become more complex after the new US President takes office, leading to significant impacts on Vietnam’s textile and garment industry, especially regarding tax policy, anti-dumping, and regulations on forced labor.

Global demand for textiles and garments is forecast to increase slightly, however, selling prices are not expected to rise, and may even tend to decrease due to intense competitive pressure from major producing countries. Geopolitical conflicts show no signs of ending, continuing to affect supply chains and export markets, posing many challenges for businesses in the industry.

In addition, input factors are also expected to negatively impact production and business activities. Specifically, exchange rate fluctuations may affect the cost of imported raw materials, while the labor situation is expected to continue to be difficult and may decrease by a further 5%, increasing recruitment pressure. At the same time, the average wage is expected to increase by 6%, and electricity costs are also forecast to increase by 5%, increasing production costs and affecting businesses’ profit margins.

In this context, businesses in the industry will need flexible strategies, including optimizing production costs, diversifying export markets, increasing product value, and improving labor productivity to maintain competitiveness and ensure growth in 2025.

Plan 2025



| No. | Indicator | Unit | Plan 2025 |
|-----|--|-------------|-----------|
| 1 | Total revenue | Billion VND | 2,070 |
| 2 | Profit before tax | Billion VND | 140 |
| 3 | Dividend Percentage on charter capital | % | 20 – 40 |

Investment



Continue to implement transitional projects, including:

- 3-story Garment Factory Investment Project.
- 2024 Garment Equipment Supplement Investment Project.
- Automatic Fire Protection System Investment Project for the Yarn Factory.
- 2024 Yarn Equipment Supplement Investment Project.

Implement new investment projects, including:

- 2025 Yarn Factory Equipment Investment Project.
- 2025 Garment Factory Equipment Investment Project.
- Wash workshop Investment Project.
- In-depth Investment Project for Dyeing and Weaving Factory Equipment Replacement in 2025.
- Rooftop solar power system investment.
- 110kV substation renovation project.
- Investment in intelligent solutions for the 3-story Garment Factory.
- Digital Transformation Investment Project.

PART

04

INVESTOR RELATIONS

- 01 Share Information
- 02 Shareholder Structure
- 03 Changes in owner's investment capital



PROSPERITY FOR CUSTOMERS - THRIVING FOR COMPANY - MUTUAL BENEFITS

SHARE INFORMATION



Number of shares issued: 20.096.259 shares

Number of treasury shares: 0 shares

Number of outstanding shares: 20.096.259 shares

- Free-float: 20.096.259 shares
- Restricted stock: 0 shares

Type of shares: Common share

Par value: 10.000 VND/shares

Treasury share transaction: None

Other securities: None

1. Shareholder Structure

(As of March 25, 2025)

| No. | Shareholder type | Number of shareholders | Number of shares | Ownership Percentage |
|-------|-----------------------|------------------------|------------------|----------------------|
| I | Domestic shareholders | 989 | 20,081,832 | 99.93% |
| 1 | Individual | 984 | 5,517,900 | 27.46% |
| 2 | Institutions | 5 | 14,563,723 | 72.47% |
| II | Foreign shareholders | 12 | 14,427 | 0.07% |
| 1 | Individual | 11 | 13,527 | 0.07% |
| 2 | Institutions | 1 | 900 | 0,00% |
| III | Treasury shares | 0 | 0 | 0,00% |
| Total | | 1,001 | 20,096,259 | 100% |

SHAREHOLDER STRUCTURE



2. Shareholder structure

| No. | Shareholder | Number of shares | Ownership Percentage |
|-------|--|------------------|----------------------|
| 1 | Vietnam National Textile and Garment Group | 12,230,122 | 60.68% |
| 2 | Tuong Long Co., Ltd | 1,710,635 | 8,51% |
| Total | | 13,940,757 | 69.19% |

3. Changes in owner's investment capital

| Time | Additional Capital (VND) | Charter capital | Form of capital increase | Approving authority |
|------|--------------------------|-----------------|--|---|
| 2005 | - | 30,000,000,000 | Equitization of the Company | General Meeting of Shareholders, Department of Planning and Investment of Thua Thien Hue Province |
| 2012 | 19,995,570,000 | 49,995,570,000 | Bonus shares at a ratio of 20% Issuance of bonus shares to existing shareholders at a ratio of 46.67% | General Meeting of Shareholders, SSC |
| 2016 | 50,004,430,000 | 100,000,000,000 | Public offering of shares: 47,504,650,000 VND. Issuing shares under the Employee Stock Ownership Plan for 2,499,780,000 VND. | General Meeting of Shareholders, SSC |
| 2021 | 5,000,000,000 | 105,000,000,000 | Issuing shares under the Employee Stock Ownership Plan (ESOP) | General Meeting of Shareholders, SSC |
| 2022 | 47,247,010,000 | 152,247,010,000 | Stock dividend payment at a rate of 45% | General Meeting of Shareholders, SSC |
| 2023 | 48,715,580,000 | 200,962,590,000 | Stock dividend payment at a rate of 32% | General Meeting of Shareholders, SSC |

TRANSACTIONS BY INTERNAL SHAREHOLDERS



| Name | Relationship with the Company | Number of shares owned at the beginning of the period | | Number of shares owned at the end of the period | | Reasons for increase/decrease |
|---------------------------|--|---|-------|---|-------|-------------------------------|
| | | Shares | % | Shares | % | |
| Ms. Nguyen Khanh Chi | Chief Accountant | 33,566 | 0.17% | 27,266 | 0.14% | Stock trading |
| Ms. Pham Thi Van Ha | Member of the Board of Supervisors | 5,800 | 0.03% | 4,000 | 0.02% | Stock trading |
| Ms. Nguyen Thi Huyen Chau | Son of Mr. Nguyen Van Phong – Member of the Board of Directors | 5,660 | 0.03% | 5,550 | 0.03% | Stock trading |
| Mr. Huynh Van Hoa | Father of Mr. Huynh Quang Nhat – Company Secretary | 2,077 | 0.01% | 0 | 0% | Stock trading |



PART

05

SUSTAINABILITY
REPORT

- 01 Environment and Energy
- 02 Labor Policy
- 03 Community and Society



PROSPERITY FOR CUSTOMERS - THRIVING FOR COMPANY - MUTUAL BENEFITS

Report on

SUSTAINABILITY

ENVIRONMENT AND ENERGY

1. Environmental Impact

Operating in the consumer goods manufacturing industry—a sector with a significant environmental impact—the Company pays special attention to environmental protection throughout its operations. Several stages in the production process can generate solid, liquid, and gaseous waste, as well as noise and vibration, which have a certain impact on the living environment around the factory area. Recognizing this, the Company has proactively implemented synchronous environmental monitoring, control, and treatment solutions to minimize negative impacts.

Control of exhaust gas and dust emissions

The main source of emissions comes from dust in the rough carding, fine carding, and yarn splicing stages at the Yarn Factory. For treatment, the Company has installed a ventilation system to bring dust to air conditioning chambers and specialized filter chambers. At locations where localized dust is generated, the Company equips handheld vacuum cleaners to ensure effective treatment. In addition, a high-capacity exhaust fan and industrial fan system is installed to limit the spread of dust to the external environment. The factory landscape is also improved by a surrounding green tree and grass system, contributing to improving air quality and minimizing dust pollution.

Wastewater treatment

The main source of wastewater comes from the dyeing and weaving process and boiler exhaust gas treatment activities. The Company has invested in a wastewater treatment system with a capacity of 1,500 m³/day and night, applying a combined physicochemical and biological treatment process. The treated water meets the QCVN 13-MT:2015/BTNMT standard (C_{max} value, column A, K_q = 0.9; K_f = 1.0)—National technical regulation on wastewater from textile dyeing industry. An automatic monitoring system is also installed to continuously monitor the quality of the output water, helping the Company respond promptly in case of unusual situations

Solid waste management

The production activities of each factory will generate different common industrial solid wastes such as unused inorganic products eliminated from the production process (Cotton, fiber waste recovered from the suction and dust filtration system); Waste from composite materials (fabric scraps, threads, etc.); Waste from composite materials (Cords, fabric labels, plastic hooks, fabric frames, etc.); Bottom ash, slag, and dust from boilers and oil furnaces; Discarded paper and cardboard packaging (yarn winding paper cores, cardboard boxes). The Company has established a process for periodically collecting and gathering these types of waste to hand over to a qualified treatment unit according to the signed contract, ensuring compliance with legal regulations on environmental protection

Noise and Vibration Reduction

To mitigate noise and vibration from machinery during production, the Company designed an enclosed production area, reinforced concrete machine bases and foundations, and installed anti-vibration rubber pads. Vegetation is also utilized as a natural sound barrier, contributing to limiting noise propagation into the surrounding environment.

Committed to sustainable production, the Company strictly adheres to environmental protection regulations through effective management of electricity and water consumption and thorough treatment of all waste generated during the production process. Technological improvements, replacement of outdated equipment, and enhanced periodic monitoring are key steps in the Company's sustainable development strategy



2. Compliance with Environmental Laws



The Company prioritizes environmental responsibility in all production and business activities. Thanks to effective implementation of occupational safety and environmental protection measures, the Company has consistently maintained a clean and safe working environment across all factories and offices.

Throughout the year, the Company regularly updates its knowledge of relevant legal documents and ensures full compliance with applicable environmental laws. As a result, no violations were recorded in this area. Simultaneously, internal campaigns are conducted to raise environmental awareness among all employees.



3. Raw Material Management

The Company focuses on material management to ensure smooth, efficient, and cost-effective production. In addition to main materials for the Spinning, Dyeing, and Garment Plants, various auxiliary supplies are used for packaging, storage, and transportation — such as paper cones, plastic bags, yarn bales, and carton boxes.

The Company maintains a diverse network of domestic and international suppliers, formalized through both long-term and short-term contracts to ensure quality and timely delivery. In some agreements, returnable packaging terms are negotiated to reduce waste and support environmental protection.

To control incoming materials, the Company enforces strict quality inspection procedures at the warehouse entry point, paired with a monitoring system for material consumption by production stage. This helps minimize waste and prevent material loss.

For excess, substandard, or scrap materials, classification and disposal are carried out by specialized service providers in accordance with environmental and safety regulations. These activities contribute to improved resource efficiency and value recovery.

Furthermore, the Company frequently reviews material usage norms, applies inventory management software, and develops purchasing plans aligned with actual demand to optimize material flow across the system.



4. Energy Consumption

The Company primarily uses electricity to operate machinery at its factories and support office activities. Other energy sources include gasoline, diesel, and gas.

Total electricity consumption in the year included 35,532,505 kWh for production and 203,812 kWh for office operations.

Energy-saving measures

The Company promotes awareness and training among staff on efficient energy usage to reduce operating costs and environmental impact. Employees are encouraged to follow energy-saving practices, especially during peak hours, to optimize resource use.

Production lines are arranged to reduce idle running time, particularly at the May Factory and Dem Nhung Factory. Electrical systems are regularly checked to eliminate unnecessary loads. Additional measures include cleaning the air-duct system to improve transmission efficiency and optimizing duct dimensions.

The Company closely monitors power loads and adjusts production schedules during peak hours to reduce costs and improve operational efficiency. Internal communications are enhanced with energy-saving reminders in production and office areas. Water recycling and reuse are also promoted, with regular monitoring of reuse rates to reduce environmental impact.

5. Water Consumption

Recognizing the importance of water as a vital resource for life and the environment, the Company is committed to sustainable and efficient water use. Water is supplied by Thua Thien Hue Water Supply Joint Stock Company — the province’s official clean water provider.

Total water consumption in the year: 335,752 m³.

The Company complies with Circular No. 09/2012/TT-BCT on energy audits and establishes annual energy-saving targets for each department.

Electricity saved in 2024 through implemented measures: 1,806,022 kWh.



1. Workforce and Average Income

| Year | Year 2021 | Year 2022 | Year 2023 | Year 2024 |
|--|-----------|-----------|-----------|-----------|
| Total number of employees (person) | 4,939 | 4,732 | 4,489 | 4,269 |
| Average monthly income per employee (VND/person/month) | 9,214,000 | 9,625,000 | 8,902,000 | 9,708,000 |

2. Employee Welfare Policy

The Company places strong emphasis on maintaining stable employment, improving living standards, and ensuring a safe working environment for all employees. In recognition of these efforts, the Company was honored by the Ministry of Labor, Invalids and Social Affairs with the title “Enterprises for Employees”, acknowledging its dedication to welfare and social security policies.

To facilitate employee well-being, the Company provided shuttle services for staff working at the Garment Plant No. 4 and increased meal allowance at the Spinning Plant from VND 20,000 to VND 24,000 per person, improving employees’ quality of life.

All employees are fully covered under social insurance, health insurance, and personal accident insurance schemes, ensuring peace of mind and long-term commitment to the Company. Furthermore, the Company strengthened occupational safety measures, provided complete protective equipment, and implemented fire prevention systems, ensuring safe working conditions at all job positions. For these efforts, the Company received a certificate of merit from the Vietnam National Union of Textile and Garment Workers for its excellence in occupational safety and hygiene.

Fire prevention and firefighting (FPF) practices were also reinforced, with rules and procedures regularly communicated to employees. The Company organized two FPF training sessions annually to ensure that employees are equipped with the necessary skills to respond to emergencies effectively.





2. Employee Welfare Policy (cont.)

Employee health care was also prioritized, with annual medical check-ups organized and a dedicated insurance task force established to provide timely assistance. This allowed for early detection of occupational diseases, proper risk management, and reassignment of duties to ensure long-term employee health.

In the past year, the Company launched several meaningful initiatives to support employees, including:

- Organizing the “Tet Reunion – Peaceful Spring” program, with meetings, encouragement, and gifts presented to policy beneficiaries, affiliated units, retirees, and disadvantaged workers during the Lunar New Year (Tet Giap Thin).
- Providing emergency financial support for employees facing severe illnesses or workplace accidents.
- Implementing the program “Tet Reunion – Workers’ Festival – Meaningful Market,” issuing 290 free shopping vouchers to 145 employees in need.
- Hosting New Year gatherings and distributing Tet gifts to 100% of employees, each valued between VND 900,000 and 1,000,000.
- Deploying five “Sentimental Buses” to support employees in returning to their hometowns for Tet and subsidizing lunch allowances.



3. Employee Training Activities

The Company regularly promotes communication, education, and awareness programs for union members and employees. Professional training is a key focus, with skill enhancement courses offered to staff in the spinning sector. Occupational safety and hygiene training is conducted periodically in accordance with Decree No. 140/NĐ-CP, ensuring full compliance.

Additionally, quarterly emergency response drills are held, including rescue, firefighting, and disaster preparedness exercises. One notable training program focused on skills development and legal counseling, attracting the participation of 140 trade union officials and incorporating recreational activities.

As part of various emulation movements, the Company launched a year-long “Creative Labor” campaign to encourage productivity and achievement beyond planned revenue and production targets. Several outstanding production teams and individuals were recognized and awarded. Commendations were also given to collectives and individuals with remarkable trade union accomplishments.

Total training expenses for employees in 2024: VND 1,454,980,200. The budget covered the following programs:

| No. | Training Institution | Training course |
|-----|---|---|
| 1 | Hanoi Industrial Textile Garment University | Engineering Program in Spinning and Weaving Technology |
| 2 | Executive Directors' Club – Thua Thien Hue | Agile Thinking for Business Leaders in Times of Crisis |
| 3 | Vietnam National Textile and Garment Group | Internal Training: Investment Project Management and Bidding |
| 4 | Datapot Co., Ltd. | Data Analysis Skills with Power BI |
| 5 | Vietnam National Textile and Garment Group | Internal Training: Legal Affairs |
| 6 | Internal training | Technology and Maintenance Training for Quang Binh Factory Workers |
| 7 | Ho Chi Minh City College | Supervisor Training for Sewing Department |
| 8 | Hue Industrial College | Application of IIoT Technology in Production Management and Smart Maintenance in the Textile Industry |
| 9 | Internal training | Leadership Training for Female Team Leaders |
| 10 | Hanoi Industrial Textile Garment University | Knitting Technology |
| 11 | MVV Academy | Sales and Customer Relationship Management Skills |
| 12 | Jobtest | Export Market Analysis and Insights |

COMMUNITY AND SOCIETY



In addition to its business and production activities, the Company actively organized and participated in various social, cultural, artistic, and sports activities. In collaboration with organizations such as the Trade Union, Youth Union, and Veterans’ Association, the Company carried out gratitude programs on War Invalids and Martyrs’ Day, as well as regular quarterly and holiday visits to Vietnamese Heroic Mothers.

PART

06

FINANCIAL STATEMENTS

- 01 Independent Auditor's Report
- 02 Audited Financial Statements





Auditor's Opinion

In our opinion, the financial statements give a true and fair view, in all material respects, of the financial position of Hue Textile Garment Joint Stock Company as at 31 December 2024, and of its results of operations and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for Enterprises and the relevant statutory requirements applicable to financial reporting.

KPMG Limited

Vietnam

Audit Report No.: 24-04-00044-25-1



Trương Vinh Phúc

Practicing Auditor Registration

Certificate No.: 1901-2023-007-1

Deputy General Director

Hanoi, 12 March 2025

Nguyễn Thụy Trang

Practicing Auditor Registration

Certificate No.: 3846-2022-007-1

Hue Textile Garment Joint Stock Company Balance sheet as at 31 December 2024

Form B 01 – DN
(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

| | Code | Note | 31/12/2024 VND | 1/1/2024 VND |
|--|------------|-----------|------------------------|------------------------|
| ASSETS | | | | |
| Current assets (100 = 110 + 120 + 130 + 140 + 150) | 100 | | 820,074,737,085 | 868,322,105,320 |
| Cash and cash equivalents | 110 | 5 | 54,131,609,503 | 90,010,006,657 |
| Cash | 111 | | 22,131,609,503 | 22,510,006,657 |
| Cash equivalents | 112 | | 32,000,000,000 | 67,500,000,000 |
| Short-term financial investments | 120 | | 54,000,000,000 | 103,000,000,000 |
| Held-to-maturity investments | 123 | 6(a) | 54,000,000,000 | 103,000,000,000 |
| Accounts receivable – short-term | 130 | | 420,484,052,030 | 373,574,560,588 |
| Accounts receivable from customers | 131 | 7 | 342,713,691,965 | 357,759,212,560 |
| Prepayments to suppliers | 132 | 8 | 81,864,946,988 | 19,152,823,988 |
| Other receivables | 136 | | 2,371,064,588 | 2,959,308,100 |
| Allowance for doubtful debts | 137 | 9 | (6,465,651,511) | (6,296,784,060) |
| Inventories | 140 | 10 | 281,198,213,226 | 288,913,027,179 |
| Inventories | 141 | | 282,835,626,731 | 293,972,626,123 |
| Allowance for inventories | 149 | | (1,637,413,505) | (5,059,598,944) |
| Other current assets | 150 | | 10,260,862,326 | 12,824,510,896 |
| Short-term prepaid expenses | 151 | | 3,252,049,724 | 3,170,104,377 |
| Deductible value added tax | 152 | | 7,008,812,602 | 9,170,589,005 |
| Taxes and others receivable from State Treasury | 153 | | - | 483,817,514 |

Hue Textile Garment Joint Stock Company
Balance sheet as at 31 December 2024 (continued)

Form B 01 – DN
*(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

| | Code | Note | 31/12/2024 VND | 1/1/2024 VND |
|---|------------|-------------|--------------------------|--------------------------|
| Long-term assets (200 = 210 + 220 + 240 + 250 + 260) | 200 | | 316,780,688,703 | 337,818,532,796 |
| Accounts receivable – long-term | 210 | | 921,021,869 | - |
| Other long-term receivables | 216 | | 921,021,869 | - |
| Fixed assets | 220 | | 294,738,185,304 | 307,618,429,616 |
| Tangible fixed assets | 221 | 11 | 294,291,082,396 | 306,705,227,148 |
| Cost | 222 | | 1,098,863,292,898 | 1,084,968,298,891 |
| Accumulated depreciation | 223 | | (804,572,210,502) | (778,263,071,743) |
| Intangible fixed assets | 227 | 12 | 447,102,908 | 913,202,468 |
| Cost | 228 | | 3,500,399,579 | 3,500,399,579 |
| Accumulated amortisation | 229 | | (3,053,296,671) | (2,587,197,111) |
| Long-term work in progress | 240 | | 1,139,366,296 | 509,565,865 |
| Construction in progress | 242 | 13 | 1,139,366,296 | 509,565,865 |
| Long-term financial investments | 250 | 6(b) | 10,018,455,897 | 9,976,790,634 |
| Equity investments in other entities | 253 | | 11,184,054,682 | 10,744,494,682 |
| Allowance for diminution in the value of long-term financial investments | 254 | | (1,165,598,785) | (767,704,048) |
| Other long-term assets | 260 | | 9,963,659,337 | 19,713,746,681 |
| Long-term prepaid expenses | 261 | 14 | 7,372,269,724 | 18,413,151,459 |
| Deferred tax assets | 262 | 15 | 2,591,389,613 | 1,300,595,222 |
| TOTAL ASSETS (270 = 100 + 200) | 270 | | 1,136,855,425,788 | 1,206,140,638,116 |

Hue Textile Garment Joint Stock Company
Balance sheet as at 31 December 2024 (continued)

Form B 01 – DN
*(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

| | Code | Note | 31/12/2024 VND | 1/1/2024 VND |
|---|------------|-----------|--------------------------|--------------------------|
| RESOURCES | | | | |
| LIABILITIES (300 = 310 + 330) | 300 | | 723,521,721,545 | 831,167,129,373 |
| Current liabilities | 310 | | 642,644,197,776 | 722,181,512,678 |
| Accounts payable to suppliers | 311 | 16 | 59,544,642,236 | 91,519,247,739 |
| Advances from customers | 312 | | 843,395,771 | 2,825,534,347 |
| Taxes and others payable to State Treasury | 313 | 17 | 15,250,355,454 | 13,369,892,319 |
| Payables to employees | 314 | | 130,995,787,288 | 102,848,448,325 |
| Accrued expenses | 315 | | 2,475,187,994 | 3,591,425,205 |
| Other payables – short-term | 319 | 18 | 41,792,117,252 | 63,871,471,203 |
| Short-term borrowings | 320 | 19(a) | 351,451,313,141 | 410,995,267,045 |
| Bonus and welfare fund | 322 | 20 | 40,291,398,640 | 33,160,226,495 |
| Long-term liabilities | 330 | | 80,877,523,769 | 108,985,616,695 |
| Long-term borrowings | 338 | 19(b) | 80,877,523,769 | 108,985,616,695 |
| EQUITY (400 = 410) | 400 | | 413,333,704,243 | 374,973,508,743 |
| Owners' equity | 410 | 21 | 413,333,704,243 | 374,973,508,743 |
| Share capital | 411 | 22 | 200,962,590,000 | 200,962,590,000 |
| - Ordinary shares with voting rights | 411a | | 200,962,590,000 | 200,962,590,000 |
| Investment and development fund | 418 | 24 | 127,478,956,722 | 107,478,956,722 |
| Retained profits | 421 | | 84,892,157,521 | 66,531,962,021 |
| - Retained profits brought forward | 421a | | 35,777,869,876 | 31,321,644,473 |
| - Retained profits for the current year | 421b | | 49,114,287,645 | 35,210,317,548 |
| TOTAL RESOURCES (440 = 300 + 400) | 440 | | 1,136,855,425,788 | 1,206,140,638,116 |

12 March 2025

Prepared by:


Than Thi Kim Phung
General Accountant

Approved by:


Nguyen Khanh Chi
Chief Accountant



Nguyen Hong Lien
General Director

Hue Textile Garment Joint Stock Company
Statement of income for the year ended 31 December 2024

Form B 02 – DN
*(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

| | Code | Note | 2024 VND | 2023 VND |
|---|-----------|------|------------------------|------------------------|
| Revenue from sales of goods and provision of services | 01 | 26 | 1,953,400,922,993 | 1,842,265,322,528 |
| Cost of sales | 11 | 27 | 1,694,683,303,439 | 1,603,526,014,992 |
| Gross profit (20 = 01 - 11) | 20 | | 258,717,619,554 | 238,739,307,536 |
| Financial income | 21 | 28 | 43,373,998,648 | 35,399,283,250 |
| Financial expenses | 22 | 29 | 41,543,868,735 | 38,330,194,778 |
| <i>In which: Interest expense</i> | 23 | | 17,070,917,575 | 20,305,411,494 |
| Selling expenses | 25 | 30 | 63,512,490,059 | 54,871,896,752 |
| General and administration expenses | 26 | 31 | 63,188,738,234 | 61,445,947,989 |
| Net operating profit {30 = 20 + (21 - 22) - (25 + 26)} | 30 | | 133,846,521,174 | 119,490,551,267 |
| Other income | 31 | 32 | 13,296,554,936 | 6,460,673,913 |
| Other expenses | 32 | | 9,811,148,085 | 4,789,152,426 |
| Results of other activities (40 = 31 - 32) | 40 | | 3,485,406,851 | 1,671,521,487 |
| Accounting profit before tax (50 = 30 + 40) | 50 | | 137,331,928,025 | 121,162,072,754 |
| Income tax expense – current | 51 | 34 | 29,219,657,771 | 20,008,328,222 |
| Income tax (benefit)/expense– deferred | 52 | 34 | (1,290,794,391) | 5,654,649,984 |
| Net profit after tax (60 = 50 - 51 - 52) | 60 | | 109,403,064,645 | 95,499,094,548 |
| Basic earnings per share | | | | |
| Basic earnings per share | 70 | 35 | 4,831 | 4,222 |

12 March 2025

Prepared by:


Than Thi Kim Phung
General Accountant

Approved by:


Nguyen Khanh Chi
Chief Accountant



Nguyen Hong Lien
General Director

Hue Textile Garment Joint Stock Company
Statement of cash flows for the year ended 31 December 2024
(Indirect method)

Form B 03 – DN
*(Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

| | Code | Note | 2024 VND | 2023 VND |
|---|-----------|------|-------------------------|--------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Profit before tax | 01 | | 137,331,928,025 | 121,162,072,754 |
| Adjustments for | | | | |
| Depreciation and amortisation | 02 | | 59,215,300,481 | 65,257,277,958 |
| Allowances and provisions | 03 | | (2,855,423,251) | (33,369,014,514) |
| Exchange loss/(gain) arising from revaluation of monetary items denominated in foreign currencies | 04 | | 2,113,610,291 | (86,691,694) |
| Profits from investing activities | 05 | | (6,693,490,011) | (11,005,911,756) |
| Gains from disposal of fixed assets | 05 | | (570,274,914) | - |
| Interest expense | 06 | | 17,070,917,575 | 20,305,411,494 |
| Operating profit before changes in working capital | 08 | | 205,612,568,196 | 162,263,144,242 |
| Change in receivables | 09 | | (7,651,772,462) | (153,072,160,769) |
| Change in inventories | 10 | | 11,136,999,392 | 160,383,761,943 |
| Change in payables and other liabilities | 11 | | (10,670,272,747) | (39,396,237,461) |
| Change in prepaid expenses | 12 | | 10,958,936,388 | 4,317,538,812 |
| | | | 209,386,458,767 | 134,496,046,767 |
| Interest paid | 14 | | (17,224,619,748) | (19,961,849,585) |
| Income tax paid | 15 | | (28,767,278,986) | (20,309,043,953) |
| Other receipts from operating activities | 16 | | 1,380,000 | 12,220,000 |
| Other payments for operating activities | 17 | | (3,624,300,000) | (6,837,611,000) |
| Net cash flows from operating activities | 20 | | 159,771,640,033 | 87,399,762,229 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Payments for additions to fixed assets | 21 | | (79,051,903,306) | (67,480,121,444) |
| Proceeds from disposals of fixed assets | 22 | | 570,274,914 | - |
| Placement of term deposits | 23 | | (32,000,000,000) | (66,000,000,000) |
| Receipts from term deposits | 24 | | 81,000,000,000 | 5,000,000,000 |
| Payments for investments in other entities | 25 | | - | (4,033,660,000) |
| Receipts of interests and dividends | 27 | | 6,487,803,984 | 10,659,515,960 |
| Net cash flows from investing activities | 30 | | (22,993,824,408) | (121,854,265,484) |

Hue Textile Garment Joint Stock Company
Statement of cash flows for the year ended 31 December 2024
(Indirect method - continued)

Form B 03 – DN
(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

| | Code | Note | 2024 VND | 2023 VND |
|---|-----------|----------|--------------------------|-------------------------|
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | |
| Proceeds from borrowings | 33 | | 1,276,749,658,115 | 1,022,651,301,962 |
| Payments to settle loan principals | 34 | | (1,368,562,050,760) | (937,285,960,782) |
| Payments of dividends | 36 | | (80,873,696,535) | (60,920,522,358) |
| Net cash flows from financing activities | 40 | | (172,686,089,180) | 24,444,818,822 |
| Net cash flows during the year (50 = 20 + 30 + 40) | 50 | | (35,908,273,555) | (10,009,684,433) |
| Cash and cash equivalents at the beginning of the year | 60 | | 90,010,006,657 | 100,028,543,344 |
| Effect of exchange rate fluctuations on cash and cash equivalents | 61 | | 29,876,401 | (8,852,254) |
| Cash and cash equivalents at the end of the year (70 = 50 + 60 + 61) | 70 | 5 | 54,131,609,503 | 90,010,006,657 |

12 March 2025

Prepared by:


 Than Thi Kim Phung
 General Accountant

Approved by:


 Nguyen Khanh Chi
 Chief Accountant


 Nguyen Hong Lien
 General Director



Hue Textile Garment Joint Stock Company
Notes to the financial statements for the year ended 31 December 2024

Form B 09 – DN
(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. Reporting entity

(a) Ownership structure

Hue Textile Garment Joint Stock Company (“the Company”) is incorporated as a joint stock company in Vietnam.

(b) Principal activities

The principal activities of the Company are:

- Fibre production;
- Dyeing and finishing (textiles);
- Textile and garment manufacturing; and
- Trading of textile products and garments.

As at 31 December 2024, the Company had 4,249 employees (1/1/2024: 4,431 employees).

(c) Normal operating cycle

The normal operating cycle of the Company is generally within 12 months.

2. Basis of preparation

(a) Statement of compliance

The financial statements have been prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for Enterprises and the relevant statutory requirements applicable to financial reporting.

(b) Basis of measurement

The financial statements, except for the statement of cash flows, are prepared on the accrual basis using the historical cost concept. The statement of cash flows is prepared using the indirect method.

(c) Annual accounting period

The annual accounting period of the Company is from 1 January to 31 December.

(d) Accounting and presentation currency

The Company’s accounting currency is Vietnam Dong (“VND”), which is also the currency used for financial statement presentation purpose.

3. Summary of significant accounting policies

The following significant accounting policies have been adopted by the Company in the preparation of these financial statements.

(a) Foreign currency transactions

Transactions in currencies other than VND during the year have been translated into VND at rates approximating actual rates of exchange ruling at the transaction dates.

Monetary assets and liabilities denominated in currencies other than VND are translated into VND at the account transfer buying rate (for assets) and account transfer selling rate (for liabilities) at the end of the annual accounting period quoted by the commercial bank where the Company most frequently conducts transactions.

All foreign exchange differences are recorded in the statement of income.

(b) Cash and cash equivalents

Cash comprises cash balances and call deposits. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

(c) Investments

(i) Held-to-maturity investments

Held-to-maturity investments are those that the Company's management has the intention and ability to hold until maturity. Held-to-maturity investments include term deposits at bank. These investments are stated at costs less allowance for doubtful debts.

(ii) Investments in equity instruments of other entities

Investments in equity instruments of other entities are initially recognised at cost which include purchase price plus any directly attributable transaction costs. Subsequent to initial recognition, these investments are stated at cost less allowance for diminution in value. An allowance is made for diminution in investment values if the investee has suffered a loss which may cause the Company to lose its invested capital, unless there is evidence that the value of the investment has not been diminished. The allowance is reversed if the investee subsequently made a profit that offsets the previous loss for which the allowance had been made. An allowance is reversed only to the extent that the investment's carrying amount does not exceed the carrying amount that would have been determined if no allowance had been recognised.

(d) Accounts receivable

Trade and other receivables are stated at cost less allowance for doubtful debts.

(e) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a weighted average basis and includes all costs incurred in bringing the inventories to their present location and condition. Cost in the case of finished goods and work in progress includes raw materials, direct labour and attributable manufacturing overheads. Net realisable value is the estimated selling price of inventory items, less the estimated costs of completion and estimated costs to sell.

The Company applies the perpetual method of accounting for inventories.

(f) Tangible fixed assets

(i) Cost

Tangible fixed assets are stated at cost less accumulated depreciation. The initial cost of a tangible fixed asset comprises its purchase price, including import duties, non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition for its intended use. Expenditure incurred after tangible fixed assets have been put into operation, such as repair, maintenance and overhaul cost, is charged to the statement of income in the year in which the cost is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of tangible fixed assets beyond their originally assessed standard of performance, the expenditure is capitalised as an additional cost of tangible fixed assets.

(ii) Depreciation

Depreciation is computed on a straight-line basis over the estimated useful lives of tangible fixed assets. The estimated useful lives are as follows:

| | |
|-------------------------------|--------------|
| ▪ buildings | 5 – 50 years |
| ▪ plant and equipment | 5 – 10 years |
| ▪ motor vehicles | 6 – 10 years |
| ▪ office equipment | 3 – 10 years |
| ▪ other tangible fixed assets | 2 – 10 years |

(g) Intangible fixed assets

Software

Cost of acquiring new software, which is not an integral part of the related hardware, is capitalised and treated as an intangible asset. Software cost is amortised on a straight-line basis from 3 to 10 years.

(h) Construction in progress

Construction in progress represents the costs of tangible and intangible fixed assets which have not been fully completed or installed. No depreciation is provided for construction in progress during the period of construction and installation.

Hue Textile Garment Joint Stock Company
Notes to the financial statements for the year ended 31 December 2024 (continued)

Form B 09 – DN
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dated 22 December 2014 of the Ministry of Finance)*

(i) Long-term prepaid expenses

Tools and instruments

Tools and instruments include assets held for use by the Company in the normal course of business whose costs of individual items are less than VND30 million and therefore not qualified for recognition as fixed assets under prevailing regulations. Cost of tools and instruments are amortised on a straight-line basis over 2 to 3 years.

(j) Trade and other payables

Trade and other payables are stated at their cost.

(k) Share capital

Ordinary shares

Ordinary shares are stated at par value. The cash proceeds over the par value is recognised in share premium. Incremental costs directly attributable to the issue of shares, net of tax effects, are recognised as a deduction from share premium.

(l) Taxation

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the statement of income except to the extent that it relates to items recognised directly to equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the end of the annual accounting period, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amounts of assets and liabilities using the tax rates enacted or substantively enacted at the end of the annual accounting period.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Hue Textile Garment Joint Stock Company
Notes to the financial statements for the year ended 31 December 2024 (continued)

Form B 09 – DN
*(Issued under Circular No. 200/2014/TT-BTC
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(m) Revenue and other incomes

(i) *Goods sold*

Revenue from the sales of goods is recognised in the statement of income when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due or the possible return of goods. Revenue on sales of goods is recognised at the net amount after deducting sales discounts.

(ii) *Processing services*

Revenue from processing services is recognised in the statement of income when the goods have been processed and the significant risks and rewards of ownership have been transferred to the principal. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due.

(iii) *Interest income*

Interest income is recognised on a time proportion basis with reference to the principal outstanding and the applicable interest rate.

(iv) *Dividend income*

Dividend income is recognised when the right to receive dividend is established. Share dividends are not recognised as income. Dividends received which are attributable to the period before investment acquisition date are deducted from the carrying amount of the investment.

(n) Leases

Operating lease payments

Payments made under operating leases are recognised in the statement of income on a straight-line basis over the term of the lease. Lease incentives received are recognised in the statement of income as an integral part of the total lease expense, over the term of the lease.

(o) Borrowing costs

Borrowing costs are recognised as an expense in the year in which they are incurred, except where the borrowing costs relate to borrowings in respect of the construction of qualifying assets, in which case the borrowing costs incurred during the period of construction are capitalised as part of the cost of the assets concerned.

Hue Textile Garment Joint Stock Company
Notes to the financial statements for the year ended 31 December 2024 (continued)

Form B 09 – DN
*(Issued under Circular No. 200/2014/TT-BTC
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(p) Earnings per share

The Company presents basic earnings per share for its ordinary shares. Basic earnings per share is calculated by dividing the profit attributable to the ordinary shareholders of the Company (after deducting any amounts appropriated to bonus and welfare funds for the annual accounting period) by the weighted average number of ordinary shares outstanding during the year.

As at and for the year ended 31 December 2024, the Company had no potential ordinary shares and therefore does not present diluted earnings per share.

(q) Segment reporting

A segment is a distinguishable component of the Company that is engaged either in providing related products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. The Company's Board of Directors considers that the Company operates in one business area which is trading and provision of textile and garment products and services. The Company's primary format for segment reporting is based on geographical locations of customers, as the Company's production and business locations are fully operated in Vietnam.

(r) Related parties

Parties are considered to be related to the Company if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions, or where the Company and the other party are subject to common control or significant influence. Related parties may be individuals or corporate entities and include close family members of any individual considered to be a related party.

(s) Comparative information

Comparative information in these financial statements is presented as corresponding figures. Under this method, comparative information for the prior year is included as an integral part of the current year's financial statements and is intended to be read only in relation to the amounts and other disclosures relating to the current year. Accordingly, the comparative information included in these financial statements is not intended to present the Company's financial position, results of operation or cash flows for the prior year.

Hue Textile Garment Joint Stock Company
Notes to the financial statements for the year ended 31 December 2024 (continued)

Form B 09 – DN
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4. Geographical segment reporting

The Company comprises the following geographical segments, based on geographical locations of customers:

- Asia
- Europe
- Vietnam
- Others

| | Asia | | Europe | | Vietnam | | Others | | Total | |
|-----------------------------------|-------------------|-------------------|----------------|-----------------|-----------------|-----------------|----------------|----------------|-------------------|-------------------|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| | VND | VND | VND | VND | VND | VND | VND | VND | VND | VND |
| Total segment revenue | 1,550,244,068,909 | 1,516,774,563,068 | 92,687,767,548 | 81,418,194,294 | 238,597,030,852 | 215,366,308,455 | 71,872,055,684 | 28,706,256,711 | 1,953,400,922,993 | 1,842,265,322,528 |
| Segment results | 212,849,730,257 | 222,735,202,603 | 9,687,692,048 | (5,017,952,789) | 24,064,841,530 | 15,516,280,423 | 12,115,355,719 | 5,505,777,299 | 258,717,619,554 | 238,739,307,536 |
| Unallocated income | | | | | | | | | 43,373,998,648 | 35,399,283,250 |
| Unallocated expenses | | | | | | | | | (168,245,097,028) | (154,648,039,519) |
| Results from operating activities | | | | | | | | | 133,846,521,174 | 119,490,551,267 |
| Other income | | | | | | | | | 13,296,554,936 | 6,460,673,913 |
| Other expenses | | | | | | | | | (9,811,148,085) | (4,789,152,426) |
| Income tax | | | | | | | | | (27,928,863,380) | (25,662,978,206) |
| Net profit after tax | | | | | | | | | 109,403,064,645 | 95,499,094,548 |

Hue Textile Garment Joint Stock Company
Notes to the financial statements for the year ended 31 December 2024 (continued)

Form B 09 – DN
(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

| | Asia | Europe | Vietnam | Others | Total |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|
| | 31/12/2024 VND | 31/12/2024 VND | 31/12/2024 VND | 31/12/2024 VND | 31/12/2024 VND |
| Segment assets | 299,534,100,575 | 11,975,539,765 | 31,204,051,625 | - | 342,713,691,965 |
| Net book value of unallocated assets | 304,253,864,059 | 26,237,914,512 | 16,819,103,207 | 10,448,330,782 | 357,759,212,560 |
| Total assets | | | | | 794,141,733,823 |
| Unallocated liabilities | | | | | 848,381,425,556 |
| Total liabilities | | | | | 1,136,855,425,788 |
| Capital expenditure | | | | | 1,206,140,638,116 |
| Depreciation of tangible fixed assets | | | | | 723,521,721,545 |
| Amortisation of intangible fixed assets | | | | | 831,167,129,373 |
| | | | | | 723,521,721,545 |
| | | | | | 831,167,129,373 |
| | | | | | 2024 VND |
| | | | | | 2023 VND |
| | | | | | 79,051,903,306 |
| | | | | | 67,480,121,444 |
| | | | | | 58,749,200,921 |
| | | | | | 65,119,858,907 |
| | | | | | 466,099,560 |
| | | | | | 137,419,051 |

Hue Textile Garment Joint Stock Company
Notes to the financial statements for the year ended 31 December 2024 (continued)

Form B 09 – DN
(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

5. Cash and cash equivalents

| | 31/12/2024 VND | 1/1/2024 VND |
|------------------|-------------------|-----------------|
| Cash on hand | 292,925,060 | 195,229,075 |
| Cash in banks | 21,838,684,443 | 22,314,777,582 |
| Cash equivalents | 32,000,000,000 | 67,500,000,000 |
| | 54,131,609,503 | 90,010,006,657 |

As at 31 December 2024, cash equivalents represented term deposits at banks with original terms not exceeding 3 months from the transaction dates and annual interest rates from 1.9% to 3.5% (1/1/2024: from 2.1% to 3.2%).

6. Investments

(a) Held-to-maturity investments

Held-to-maturity investments – short-term as at 31 December 2024 and 1 January 2024 included bank deposits with terms from 6 months to 12 months and annual interest rates from 2.9% to 4.4% (1/1/2024: from 3.4% to 5.2%).

The fair value of held-to-maturity investments approximates the carrying amount due to the short-term nature of these financial assets

Hue Textile Garment Joint Stock Company
Notes to the financial statements for the year ended 31 December 2024 (continued)

Form B 09 – DN
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(b) Equity investments in other entities

| | | | | | 1/1/2024 | |
|--|--------------------|-------------------|--------------------|----------------|---------------------------------------|----------------|
| Name | Address | % of equity owned | % of voting rights | Cost VND | Allowance for diminution in value VND | Fair value VND |
| Phu Bai Spinning Joint Stock Company | Hue City, Vietnam | 5.00 | 5.00 | 7,495,524,000 | - | (*) |
| Central Cotton and General Trading Joint Stock Company | Nha Trang, Vietnam | 7.12 | 7.12 | 650,000,000 | (384,228,587) | (*) |
| Thien An Phat Textile Garment Investment Joint Stock Company | Hue City, Vietnam | 6.45 | 6.45 | 1,500,000,000 | - | (*) |
| Vinatex Knitting Joint Stock Company | Hung Yen, Vietnam | 2.65 | 2.65 | 1,008,000,000 | (383,475,461) | (*) |
| Phu Viet Spinning Joint Stock Company | Hue City, Vietnam | 0.44 | 0.44 | 90,970,682 | - | (*) |
| | | | | 10,744,494,682 | (767,704,048) | |

Hue Textile Garment Joint Stock Company
Notes to the financial statements for the year ended 31 December 2024 (continued)

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| | | | | | 31/1/2024 | |
|--|--------------------|-------------------|--------------------|----------------|---------------------------------------|----------------|
| Name | Address | % of equity owned | % of voting rights | Cost VND | Allowance for diminution in value VND | Fair value VND |
| Phu Bai Spinning Joint Stock Company | Hue City, Vietnam | 5.00 | 5.00 | 7,495,524,000 | - | (*) |
| Central Cotton and General Trading Joint Stock Company | Nha Trang, Vietnam | 7.12 | 7.12 | 650,000,000 | (384,228,587) | (*) |
| Thien An Phat Textile Garment Investment Joint Stock Company | Hue City, Vietnam | 6.45 | 6.45 | 1,500,000,000 | - | (*) |
| Vinatex Knitting Joint Stock Company | Hung Yen, Vietnam | 2.65 | 2.65 | 1,008,000,000 | (781,370,198) | (*) |
| Phu Viet Spinning Joint Stock Company | Hue City, Vietnam | 0.44 | 0.44 | 191,150,682 | - | (*) |
| Phu Nam Spinning Joint Stock Company | Hue City, Vietnam | 0.70 | 0.70 | 248,770,000 | - | (*) |
| Phu Mai Spinning Joint Stock Company | Hue City, Vietnam | 0.24 | 0.24 | 90,610,000 | - | (*) |
| | | | | 11,184,054,682 | (1,165,598,785) | |

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Share dividends received by the Company are not recognised as financial income but monitored in numbers of shares are as follows:

| | 31/12/2024 Shares | 1/1/2024 Shares |
|---|----------------------|--------------------|
| Phu Bai Spinning Joint Stock Company | 235,903 | 235,903 |
| Thien An Phat Textile Garment Investment Joint Stock Company | 624,144 | 333,840 |
| Phu Viet Spinning Joint Stock Company | 11,914 | 21,932 |
| Phu Mai Spinning Joint Stock Company | 4,367 | 13,428 |
| Phu Nam Spinning Joint Stock Company | 7,358 | 32,235 |

- (*) The Company has not determined fair values of these equity investments in other entities for disclosure in the financial statements because information about their market prices is not available and there is currently no guidance on determination of fair value using valuation techniques under Vietnamese Accounting Standards or the Vietnamese Accounting System for Enterprises. The fair values of these investments may differ from their carrying amounts.

7. Accounts receivable from customers

(a) Accounts receivable from customers detailed by significant customer

| | 31/12/2024 VND | 1/1/2024 VND |
|---|-------------------|-----------------|
| Aurora Investments Global | 231,128,897,052 | 257,955,237,945 |
| Kam Hing Textile Macao Commercial Offshore Co., Ltd | 15,346,810,875 | 12,043,079,350 |
| Fujian Fynex Textile Science & Technology Co., Ltd | 14,345,075,172 | 4,831,356,298 |
| Fashion Garments 2 Co., Ltd | 12,649,037,959 | 578,131,746 |
| Singtex Pte., Ltd | 12,361,155,203 | - |
| Xiamen Fengzhu Trading Co., Ltd | 5,056,389,525 | 16,129,260,302 |
| Other customers | 51,826,326,179 | 66,222,146,919 |
| | 342,713,691,965 | 357,759,212,560 |

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(b) Accounts receivable from customers who are related parties

| | 31/12/2024 VND | 1/1/2024 VND |
|---|-------------------|-----------------|
| Related companies within Vietnam National Textile and Garment Group | | |
| Hoa Tho Fashion Joint Stock Company | 300,640,405 | 19,289,544 |
| Dong Xuan Knitting One Member Limited Liability Company | 12,661,994 | 14,320,114 |
| Hoa Tho Textile and Garment Joint Stock Corporation Branch of Vietnam National Textile and Garment Group – Vinatex Fashion Center | 7,644,535 | 5,026,026 |
| | 63,555,840 | 62,714,960 |
| | 384,502,774 | 101,350,644 |

The trade related amounts due from related parties were unsecured, interest free and are receivable on demand.

8. Prepayments to suppliers

Prepayments to suppliers detailed by significant suppliers

| | 31/12/2024 VND | 1/1/2024 VND |
|--|-------------------|-----------------|
| Hiep Thanh Company Limited | 28,054,182,780 | - |
| An Thinh Phat CDI JSC | 18,714,000,000 | - |
| DEVCO S.A.S | 10,968,370,834 | - |
| Allenberg Cotton Co. | 6,973,790,052 | 109,433,710 |
| Industrial Zone Infrastructure Investment and Development Limited Company | - | 9,818,820,000 |
| Other suppliers | 17,154,603,322 | 9,224,570,278 |
| | 81,864,946,988 | 19,152,823,988 |

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9. Overdue debts

| | 31/12/2024 | | | 1/1/2024 | | | | |
|---|-------------------|---------------|-----------------|------------------------|-------------------|---------------|-----------------|------------------------|
| | Overdue period | Cost VND | Allowance VND | Recoverable amount VND | Overdue period | Cost VND | Allowance VND | Recoverable amount VND |
| Hung Thanh Dat Manufacture - Commerce - Service - Import and Export Company Limited | More than 3 years | 2,824,257,828 | (2,824,257,828) | - | More than 3 years | 2,824,257,828 | (2,824,257,828) | - |
| Mr. Bui The Quan | More than 3 years | 2,541,936,609 | (2,541,936,609) | - | More than 3 years | 2,424,055,822 | (2,424,055,822) | - |
| Mr. Nguyen Trong Bui | More than 3 years | 706,952,247 | (706,952,247) | - | More than 3 years | 674,167,760 | (674,167,760) | - |
| Taijiuh Garment Co., Ltd. | More than 3 years | 392,504,827 | (392,504,827) | - | More than 3 years | 374,302,650 | (374,302,650) | - |
| | | 6,465,651,511 | (6,465,651,511) | - | | 6,296,784,060 | (6,296,784,060) | - |
| Allowance for doubtful debts – short-term | | | (6,465,651,511) | | | | (6,296,784,060) | |

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10. Inventories

| | 31/12/2024 | | 1/1/2024 | |
|----------------------|-----------------|-----------------|-----------------|-----------------|
| | Cost VND | Allowance VND | Cost VND | Allowance VND |
| Goods in transit | 1,454,457,493 | - | 59,817,064,031 | - |
| Raw materials | 144,224,348,628 | (1,582,986,512) | 97,783,554,793 | (586,955,067) |
| Tools and supplies | 39,741,704 | - | 53,315,367 | - |
| Work in progress | 73,560,865,176 | - | 92,214,725,204 | (2,439,398,759) |
| Finished goods | 28,951,671,934 | (54,426,993) | 33,882,365,770 | (2,033,245,118) |
| Goods on consignment | 34,604,541,796 | - | 10,221,600,958 | - |
| | 282,835,626,731 | (1,637,413,505) | 293,972,626,123 | (5,059,598,944) |

As at 31 December 2024 inventories with a carrying value of VND160,000 million (1/1/2024: VND140,000 million) were pledged with banks as security for the borrowings of to the Company (Note 19).

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11. Tangible fixed assets

| Cost | Buildings VND | Plant and equipment VND | Motor vehicles VND | Office equipment VND | Other tangible fixed assets VND | Total VND |
|--|------------------|-------------------------------|--------------------------|----------------------------|---------------------------------------|-------------------|
| Opening balance | 301,981,869,375 | 736,946,189,900 | 25,676,179,678 | 10,895,830,828 | 9,468,229,110 | 1,084,968,298,891 |
| Additions | - | 404,185,452 | - | 185,350,000 | - | 589,535,452 |
| Transfer from construction in progress | 3,805,267,667 | 40,613,049,568 | 1,181,503,482 | 145,700,000 | - | 45,745,520,717 |
| Disposals | (12,610,454,908) | (17,726,149,654) | (1,205,075,409) | (898,382,191) | - | (32,440,062,162) |
| Closing balance | 293,176,682,134 | 760,231,275,266 | 25,652,607,751 | 10,328,498,637 | 9,468,229,110 | 1,098,863,292,898 |
| Accumulated depreciation | | | | | | |
| Opening balance | 185,458,027,744 | 561,679,305,860 | 18,727,068,317 | 9,620,974,478 | 2,777,695,344 | 778,263,071,743 |
| Charge for the period | 15,538,172,087 | 39,432,219,674 | 1,515,355,118 | 625,044,880 | 1,638,409,162 | 58,749,200,921 |
| Disposals | (12,610,454,908) | (17,726,149,654) | (1,205,075,409) | (898,382,191) | - | (32,440,062,162) |
| Closing balance | 188,385,744,923 | 583,385,375,880 | 19,037,348,026 | 9,347,637,167 | 4,416,104,506 | 804,572,210,502 |
| Net book value | | | | | | |
| Opening balance | 116,523,841,631 | 175,266,884,040 | 6,949,111,361 | 1,274,856,350 | 6,690,533,766 | 306,705,227,148 |
| Closing balance | 104,790,937,211 | 176,851,899,386 | 6,615,259,725 | 980,861,470 | 5,052,124,604 | 294,291,082,396 |

Included in tangible fixed assets were assets costing VND582,145 million which were fully depreciated as of 31 December 2024 but are still in active use (1/1/2024: VND526,733 million).

At 31 December 2024, tangible fixed assets with a net book value of VND120,558 million (1/1/2024: VND147,496 million) were pledged with banks as security for the Company's borrowings (Note 19).

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12. Intangible fixed assets

| | Software VND |
|---------------------------------|-----------------|
| Cost | |
| Opening and closing balance | 3,500,399,579 |
| Accumulated amortisation | |
| Opening balance | 2,587,197,111 |
| Charge for the period | 466,099,560 |
| Closing balance | 3,053,296,671 |
| Net book value | |
| Opening balance | 913,202,468 |
| Closing balance | 447,102,908 |

Included in intangible fixed assets were assets costing VND2,381 million which were fully amortised as of 31 December 2024 and are still in use (1/1/2024: VND2,381 million).

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13. Construction in progress

| | 2024 VND | 2023 VND |
|-------------------------------------|------------------|------------------|
| Opening balance | 509,565,865 | 37,575,168,913 |
| Additions during the year | 46,375,321,148 | 31,387,579,196 |
| Transfer to tangible fixed assets | (45,745,520,717) | (67,637,018,475) |
| Transfer to intangible fixed assets | - | (816,163,769) |
| Closing balance | 1,139,366,296 | 509,565,865 |

At the reporting date, construction in progress mainly includes machinery and equipment that were under installation.

14. Long-term prepaid expenses

| | Tools and instruments VND |
|-----------------------------|---------------------------------|
| Opening balance | 18,413,151,459 |
| Additions during the period | 2,145,900,840 |
| Amortization for the period | (13,186,782,575) |
| Closing balance | 7,372,269,724 |

15. Deferred tax assets

| | Tax rate | 31/12/2024 VND | 1/1/2024 VND |
|-----------------------------|----------|-------------------|-----------------|
| Revenue from sales of goods | 20% | 2,591,389,613 | 695,324,457 |
| Allowance for inventories | 20% | - | 605,270,765 |
| | | 2,591,389,613 | 1,300,595,222 |

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16. Accounts payable to suppliers

a) Accounts payable to suppliers detailed by significant suppliers

| | Cost and amount within payment capacity | |
|--------------------------------|--|-----------------|
| | 31/12/2024 VND | 1/1/2024 VND |
| Yau Kuen Industrial Co., Ltd | 6,485,055,874 | 10,037,591,184 |
| In Hoa Ruijia Vietnam Co., Ltd | 6,253,704,917 | 10,484,534,915 |
| Dung Hung Co., Ltd | 29,824,200 | 10,994,400 |
| Stonex Switzerland Sa | - | 13,971,237,312 |
| Cam Négoce, Division Coton | - | 8,151,917,612 |
| Other suppliers | 46,776,057,245 | 48,862,972,316 |
| | 59,544,642,236 | 91,519,247,739 |

At 31 December 2024, the Company has no overdue accounts payable to suppliers.

b) Accounts payable to suppliers who are related parties

| | Cost and amount within payment capacity | |
|---|--|-----------------|
| | 31/12/2024 VND | 1/1/2024 VND |
| Vinatex International Joint Stock Company | 70,377,041 | - |
| Hoa Tho Textile - Garment Joint Stock Corporation | 62,985,600 | 399,629,121 |
| | 133,362,641 | 399,629,121 |

The short-term accounts payable to suppliers who are related parties were unsecured, interest free and are repayable on demand.

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17. Taxes and others payable to State Treasury

| | 1/1/2024 VND | Incurred during the period VND | Paid/net-off during the period VND | 31/12/2024 VND |
|------------------------|-----------------|--------------------------------------|--|-------------------|
| Value added tax | 602,632,269 | 43,804,637,817 | (43,300,119,000) | 1,107,151,086 |
| Import-export tax | - | 2,404,844,460 | (2,404,844,460) | - |
| Corporate income tax | 12,613,241,168 | 29,219,657,771 | (28,767,278,986) | 13,065,619,953 |
| Personal income tax | 141,976,339 | 5,359,211,790 | (4,424,539,074) | 1,076,649,055 |
| Land and housing taxes | - | 1,384,586,966 | (1,384,586,966) | - |
| Other taxes and fees | 12,042,543 | 824,540,273 | (835,647,456) | 935,360 |
| | 13,369,892,319 | 82,997,479,077 | (81,117,015,942) | 15,250,355,454 |

18. Other payables – short-term

| | 31/12/2024 VND | 1/1/2024 VND |
|---|-------------------|-----------------|
| Trade union fees | 527,259,821 | 1,464,595,389 |
| Interest expenses | 849,909,936 | 1,003,612,109 |
| Dividends payable to Vietnam National Textile and Garment Group (*) | 24,460,244,000 | 36,690,366,000 |
| Dividend payables – third parties | 15,335,994,372 | 23,690,791,907 |
| Other payables | 618,709,123 | 1,022,105,798 |
| | 41,792,117,252 | 63,871,471,203 |

(*) The dividend payables include the 2nd dividend advance and were paid on 17 February 2025.

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19. Borrowings

(a) Short-term borrowings

| | 1/1/2024 Carrying amount and amount within repayment capacity VND | Movements during the year | | | 31/12/2024 |
|---|--|---------------------------|---------------------|---|---|
| | | Addition VND | Decrease VND | Unrealised foreign exchanges differences VND | Carrying amount and amount within repayment capacity VND |
| Short-term borrowings | 379,617,152,495 | 1,276,749,658,115 | (1,338,203,776,168) | 1,575,688,920 | 319,738,723,362 |
| Current portion of long-term borrowings (Note 19(b)) | 31,378,114,550 | 30,653,847,035 | (30,358,274,592) | 38,902,786 | 31,712,589,779 |
| | 410,995,267,045 | 1,307,403,505,150 | (1,368,562,050,760) | 1,614,591,706 | 351,451,313,141 |

Terms and conditions of short-term borrowings were as follows:

| | Currency | Annual interest rate | 31/12/2024 VND | 1/1/2024 VND |
|---|----------|-------------------------|-------------------|-----------------|
| Joint Stock Commercial Bank for Foreign Trade of Vietnam | USD | 3.7% - 3.8% | 105,413,892,666 | 28,155,524,959 |
| Joint Stock Commercial Bank for Investment and Development of Vietnam | USD | 3.2% - 4.6% | 118,346,475,361 | 79,356,260,326 |
| Vietnam Joint Stock Commercial Bank for Industry and Trade | USD | 3.2% - 4.3% | 23,659,234,622 | 77,926,160,902 |
| Joint Stock Commercial Bank for Foreign Trade of Vietnam | VND | 2.8% - 3.7% | 17,473,758,430 | 61,260,716,649 |
| Joint Stock Commercial Bank for Investment and Development of Vietnam | VND | 2.8% - 2.9% | - | 91,844,338,133 |
| Vietnam Joint Stock Commercial Bank for Industry and Trade | VND | 3% - 3.55% | 54,845,362,283 | 41,074,151,526 |
| | | | 319,738,723,362 | 379,617,152,495 |

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(b) Long-term borrowings

| | 31/12/2024 VND | 1/1/2024 VND | | | |
|---|-------------------------------------|-------------------------------------|------------------|-------------------|-----------------|
| Long-term borrowings | | | | | |
| Repayable within twelve months (Note 19(a)) | 112,590,113,548 (31,712,589,779) | 140,363,731,245 (31,378,114,550) | | | |
| Repayable after twelve months | 80,877,523,769 | 108,985,616,695 | | | |
| Terms and conditions of long-term borrowings were as follows: | | | | | |
| | Currency | Annual interest rate | Year of maturity | 31/12/2024 VND | 1/1/2024 VND |
| Joint Stock Commercial Bank for Investment and Development of Vietnam | VND | 7.2% - 9.7% | 2026 | 7,959,079,870 | 13,959,079,870 |
| Vietnam National Textile and Garment Group (the parent company) (*) | VND | 4.5% – 5.8% | 2025 | 23,200,000,000 | 46,400,000,000 |
| Vietnam National Textile and Garment Group (the parent company) (**) | USD | SOFR 6 months + 0.7% | 2039 | 81,431,033,678 | 80,004,651,375 |
| | | | | 112,590,113,548 | 140,363,731,245 |

(*) This borrowing was unsecured.

(**) This was re-lent by Vietnam National Textile and Garment Group from the loan granted by Asia Development Bank (“ADB”), amounting to USD3,186,999.87 as of 31 December 2024 (1/1/2024: USD3,357,096), with a credit limit of USD3,642,948.

Short-term and long-term bank borrowings were guaranteed by certain inventories (Note 10) and fixed assets of the Company (Note 11).

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20. Bonus and welfare fund

This fund is established by appropriating from retained profits as approved by shareholders at shareholders' meeting. This fund is used to pay bonus and welfare to the Company's employees in accordance with the Company's bonus and welfare policies. Movements of bonus and welfare fund during the year were as follows:

| | 2024 VND | 2023 VND |
|-----------------|-----------------|-----------------|
| Opening balance | 33,160,226,495 | 25,216,788,379 |
| Appropriation | 10,754,092,145 | 14,768,829,116 |
| Other additions | 1,380,000 | 12,220,000 |
| Utilisation | (3,624,300,000) | (6,837,611,000) |
| Closing balance | 40,291,398,640 | 33,160,226,495 |

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21. Changes in owners' equity

| | Share capital VND | Investment and development fund VND | Retained profits VND | Total VND |
|--|----------------------|---|-------------------------|-------------------|
| Balance at 1 January 2023 – as restated | 152,247,010,000 | 102,478,956,722 | 160,704,857,589 | 415,430,824,311 |
| Net profit for the year | - | - | 95,499,094,548 | 95,499,094,548 |
| Appropriation to bonus and welfare fund (Note 20) | - | - | (14,768,829,116) | (14,768,829,116) |
| Appropriation to investment and development fund (Note 24) | - | 5,000,000,000 | (5,000,000,000) | - |
| Share dividends (Note 23) | 48,715,580,000 | - | (48,715,580,000) | - |
| Cash dividends (Note 23) | - | - | (121,191,044,200) | (121,191,044,200) |
| Other changes | - | - | 3,463,200 | 3,463,200 |
| Balance at 1 January 2024 | 200,962,590,000 | 107,478,956,722 | 66,531,962,021 | 374,973,508,743 |
| Net profit for the year | - | - | 109,403,064,645 | 109,403,064,645 |
| Appropriation to bonus and welfare fund (Note 20) | - | - | (10,754,092,145) | (10,754,092,145) |
| Appropriation to investment and development fund (Note 24) | - | 20,000,000,000 | (20,000,000,000) | - |
| Cash dividends (Note 23) | - | - | (60,288,777,000) | (60,288,777,000) |
| Balance at 31 December 2024 | 200,962,590,000 | 127,478,956,722 | 84,892,157,521 | 413,333,704,243 |

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Retained profits as at 1 January 2023 have been restated in accordance with the audit results announced by the State Audit of Vietnam in the Audit report on the financial statements and activities relating to the management and the use of State-owned capitals and assets for the year 2022 of Vietnam National Textile and Garment Group (the parent company of the Company) and the Announcement No. 125/TB-KTNN dated 2 February 2024 sent to the Company. A comparison of the amounts previously reported and as restated is as follows:

| | 1/1/2023 (as previously reported) VND | (Restated by State Audit of Vietnam) VND | 1/1/2023 (as restated) VND |
|------------------|---|--|----------------------------------|
| Retained profits | 153,186,318,981 | 7,518,538,608 | 160,704,857,589 |

22. Share capital

The Company's authorised and issued share capital are:

| | 31/12/2024 | | 1/1/2024 | |
|---------------------------------|---------------------|-----------------|---------------------|-----------------|
| | Number of shares | VND | Number of shares | VND |
| Authorised share capital | 20,096,259 | 200,962,590,000 | 20,096,259 | 200,962,590,000 |
| Issued share capital | | | | |
| Ordinary shares | 20,096,259 | 200,962,590,000 | 20,096,259 | 200,962,590,000 |
| Shares in circulation | | | | |
| Ordinary shares | 20,096,259 | 200,962,590,000 | 20,096,259 | 200,962,590,000 |

All ordinary shares have a par value of VND10,000. Each share is entitled to one vote at meetings of the Company. Shareholders are entitled to receive dividend as declared from time to time. All ordinary shares are ranked equally with regard to the Company's residual assets.

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Movements in share capital during the year were as follows:

| | 2024 | | 2023 | |
|--------------------------------------|------------------|-----------------|------------------|-----------------|
| | Number of shares | VND | Number of shares | VND |
| Balance at the beginning of the year | 20,096,259 | 200,962,590,000 | 15,224,701 | 152,247,010,000 |
| Payment of share dividends | - | - | 4,871,558 | 48,715,580,000 |
| Balance at the end of the year | 20,096,259 | 200,962,590,000 | 20,096,259 | 200,962,590,000 |

Details of share capital by major shareholders are as follows:

| | 31/12/2024 | | 1/1/2024 | |
|--|------------------|-----------------------|------------------|-----------------------|
| | Number of shares | Share capital VND (%) | Number of shares | Share capital VND (%) |
| Vietnam National Textile and Garment Group | 12,230,122 | 60.86 | 12,230,122 | 60.86 |
| Tuong Long Co., Ltd. | 1,710,635 | 8.51 | 1,710,635 | 8.51 |
| Other shareholders | 6,155,502 | 30.63 | 6,155,502 | 30.63 |
| | 20,096,259 | 100.00 | 20,096,259 | 100.00 |

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23. Dividends

On 11 June 2024 and 27 November 2024, the Board of Management of the Company approved Resolution No. 606/NQ-HDQT and 1199/NQ-HDQT on the advance payment of dividends to the shareholders amounting to VND20,096 million and VND40,192 million (equivalent to a dividend rate of 10% of charter capital and 20% of charter capital, respectively) from the retained profits of 2024. This advanced dividend was paid on 25 July 2024 and 17 February 2025 (2023: distribution and advance of dividends amounting to VND169,907 million from retained profits of 2022 and 2023, in which VND48,716 million is in the form of shares and VND121,191 million is in cash).

24. Investment and development fund

This fund was established for the purpose of future business expansion. The General Meeting of Shareholders of the Company on 20 April 2024 resolved to appropriate VND20,000 million from net profit after tax for the year 2023 to the investment and development fund (2023: VND5,000 million). Investment and development funds were appropriated from retained profits in accordance with the resolution of General Meeting of Shareholders.

25. Off balance sheet items

(a) Foreign currencies

| | 31/12/2024 | | 1/1/2024 | |
|-----|-------------------|-----------------------|-------------------|-----------------------|
| | Original currency | VND equivalent | Original currency | VND equivalent |
| USD | 622,945 | 15,752,796,990 | 833,819 | 20,099,845,064 |
| EUR | 4 | 114,377 | 15 | 403,463 |
| | | <u>15,752,911,367</u> | | <u>20,100,248,527</u> |

(b) Assets, materials and goods held for third parties

| | 31/12/2024 Products | 1/1/2024 Products |
|---|---------------------|-------------------|
| Materials and goods held on consignment | 6,027 | 4,032 |

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(c) Capital expenditure commitments

At the reporting date, the Company had the following outstanding capital commitments under its projects approved but not provided for in the balance sheet:

| | 31/12/2024 | 1/1/2024 |
|-----------------------------|------------------------|------------------------|
| | VND | VND |
| Approved but not contracted | 135,210,412,798 | 312,827,317,600 |
| Approved and contracted | 182,277,772,248 | 69,586,310,000 |
| | 317,488,185,046 | 382,413,627,600 |

26. Revenue from sales of goods and provision of services

Total revenue represents the gross value of goods sold and services rendered exclusive of value added tax.

| | 2024 | 2023 |
|---------------------------------------|--------------------------|--------------------------|
| | VND | VND |
| Sales of finished goods | 1,920,172,925,604 | 1,813,062,887,951 |
| Sales of merchandise goods and scraps | 33,172,891,640 | 29,152,177,943 |
| Provision of services and others | 55,105,749 | 50,256,634 |
| | 1,953,400,922,993 | 1,842,265,322,528 |

27. Cost of sales

| | 2024 | 2023 |
|---------------------------------------|--------------------------|--------------------------|
| | VND | VND |
| Finished goods | 1,666,809,486,475 | 1,598,127,071,499 |
| Merchandise goods and scraps sold | 31,296,002,403 | 39,029,401,436 |
| Reversal of allowance for inventories | (3,422,185,439) | (33,630,457,943) |
| | 1,694,683,303,439 | 1,603,526,014,992 |

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28. Financial income

| | 2024 | 2023 |
|-----------------------------------|-----------------------|-----------------------|
| | VND | VND |
| Interest income from deposits | 4,318,570,011 | 8,063,748,323 |
| Dividends | 2,374,920,000 | 2,942,163,433 |
| Realised foreign exchange gains | 36,680,508,637 | 23,709,438,950 |
| Unrealised foreign exchange gains | - | 86,691,694 |
| Other income | - | 597,240,850 |
| | 43,373,998,648 | 35,399,283,250 |

29. Financial expenses

| | 2024 | 2023 |
|--|-----------------------|-----------------------|
| | VND | VND |
| Interest expense | 17,070,917,575 | 20,305,411,494 |
| Provision of allowance for long-term investments | 397,894,737 | 164,824,136 |
| Realised foreign exchange losses | 21,961,446,132 | 17,803,945,514 |
| Unrealised foreign exchange losses | 2,113,610,291 | - |
| Other financial expenses | - | 56,013,634 |
| | 41,543,868,735 | 38,330,194,778 |

30. Selling expenses

| | 2024 | 2023 |
|--------------------------|-----------------------|-----------------------|
| | VND | VND |
| Order monitoring fees | 17,857,505,440 | 16,077,059,475 |
| Handling fee at the port | 1,145,763,877 | 1,779,770,761 |
| Transportation costs | 32,660,395,033 | 26,656,319,228 |
| Brokerage commissions | 7,838,297,958 | 7,592,560,905 |
| Depreciation | 106,413,396 | 128,119,904 |
| Other selling expenses | 3,904,114,355 | 2,638,066,479 |
| | 63,512,490,059 | 54,871,896,752 |

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31. General and administration expenses

| | 2024 VND | 2023 VND |
|--|----------------|----------------|
| Staff costs | 28,719,053,110 | 29,376,240,037 |
| Provision of allowance for doubtful debts | 168,867,451 | 96,619,293 |
| Depreciation | 895,086,665 | 2,783,189,683 |
| Office supplies and equipment | 2,798,909,015 | 2,407,068,139 |
| Taxes, fees and charges | 5,665,205,238 | 5,595,252,102 |
| Electricity and water fees | 3,276,608,933 | 3,827,019,426 |
| Mid-shift meal expenses | 1,803,021,430 | 2,162,110,194 |
| Land rental | 1,638,085,142 | 645,090,023 |
| Tools and instruments | 2,722,077,408 | 3,494,170,862 |
| Outside services and other general and administration expenses | 15,501,823,842 | 11,059,188,230 |
| | 63,188,738,234 | 61,445,947,989 |

32. Other income

| | 2024 VND | 2023 VND |
|---|----------------|---------------|
| Electricity and water bills collected from contractors and other entities | 2,615,415,554 | 2,623,545,465 |
| Write-off of accounts payable | - | 1,587,470,886 |
| Gain from disposal of fixed assets | 570,274,914 | - |
| Income from redundant, poor quality processing raw materials | 6,559,598,075 | - |
| Other income | 3,551,266,393 | 2,249,657,562 |
| | 13,296,554,936 | 6,460,673,913 |

33. Production and business costs by element

| | 2024 VND | 2023 VND |
|---|-------------------|-----------------|
| Raw material costs included in production costs | 1,023,777,541,950 | 862,867,413,400 |
| Staff costs | 524,745,098,016 | 496,927,661,320 |
| Depreciation and amortisation | 59,215,300,481 | 65,257,277,958 |
| Outside services | 162,145,673,479 | 153,729,448,929 |
| Other expenses | 52,299,304,780 | 30,358,615,318 |

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34. Income tax

(a) Recognised in the statement of income

| | 2024 VND | 2023 VND |
|---------------------------------------|-----------------|----------------|
| Current tax expense | | |
| Current year | 28,502,161,449 | 19,897,364,919 |
| Under provision in prior years | 717,496,322 | 110,963,303 |
| | 29,219,657,771 | 20,008,328,222 |
| Deferred tax (benefit)/expense | | |
| Origination of temporary differences | (1,290,794,391) | 5,654,649,984 |
| | 27,928,863,380 | 25,662,978,206 |

(b) Reconciliation of effective tax rate

| | 2024 VND | 2023 VND |
|--|-----------------|-----------------|
| Accounting profit before tax | 137,331,928,025 | 121,162,072,754 |
| Tax at the Company's tax rate | 27,466,385,605 | 24,232,414,551 |
| Non-deductible expenses | 329,813,782 | 1,079,779,439 |
| Tax exempt income | (474,984,000) | (588,432,687) |
| Deferred tax on temporary differences not recognised | (109,848,329) | 828,253,600 |
| Under provision in prior years | 717,496,322 | 110,963,303 |
| | 27,928,863,380 | 25,662,978,206 |

(c) Applicable tax rates

Under the current tax regulations, the Company has an obligation to pay the government income tax at the rate of 20% of taxable profits.

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35. Basic earnings per share

The calculation of basic earnings per share for the year ended 31 December 2024 was based on the profit attributable to ordinary shareholders after deducting the estimated amounts to be appropriated to the bonus and welfare fund for the annual accounting period, calculated as follows:

(i) Net profit attributable to ordinary shareholders

| | 2024 VND | 2023 VND |
|---|-----------------------|-----------------------|
| Net profit for the year | 109,403,064,645 | 95,499,094,548 |
| Estimated appropriation to bonus and welfare fund (*) | (12,319,809,352) | (10,657,833,145) |
| Net profit attributable to ordinary shareholders | <u>97,083,255,293</u> | <u>84,841,261,403</u> |

(*) Estimated appropriation to bonus and welfare fund was made by the Company's Board of Directors, based on the Company's operating results in 2024.

Actual appropriation to bonus and welfare fund in 2023 (Note 21) was higher than the estimated appropriation when calculating earnings per share for 2023. The Company's Board of Directors assessed that the difference was not significant, therefore decided not to adjust the earnings per share for the year 2023.

(ii) Weighted average number of ordinary shares

| | 2024 | 2023 |
|--|-------------------|-------------------|
| Issued ordinary shares at the beginning of the year | 20,096,259 | 15,224,701 |
| Effect of dividends paid in the form of shares in the year (Note 22) | - | 4,871,558 |
| Weighted average number of ordinary shares outstanding during the year | <u>20,096,259</u> | <u>20,096,259</u> |

(iii) Basic earnings per share

| | 2024 | 2023 |
|---|----------------|----------------|
| Net profit attributable to ordinary shareholders (VND) | 97,083,255,293 | 84,841,261,403 |
| Weighted average number of ordinary shares (number of shares) | 20,096,259 | 20,096,259 |
| Basic earnings per share | <u>4,831</u> | <u>4,222</u> |

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36. Significant transactions with related parties

In addition to related party balances disclosed in other notes to the financial statements, the Company had the following significant transactions with related parties during the year:

| | Transaction value | |
|--|--------------------------|---------------------|
| | 2024 VND | 2023 VND |
| The parent company | | |
| <i>Vietnam National Textile and Garment Group</i> | | |
| Purchase of services | 375,980,474 | 146,155,828 |
| Payment of cash dividends | 48,920,488,000 | 37,060,976,000 |
| Advanced payment of dividends | 24,460,244,000 | 36,690,366,000 |
| Payment of share dividends | - | 29,648,780,000 |
| Payment of borrowing principal | 23,200,000,000 | 23,200,000,000 |
| Payment of borrowing principal granted from ADB loan | 2,342,548,150 | 1,935,519,047 |
| Interest expense | 7,615,882,027 | 9,756,742,807 |
| Interest expense and fee of the borrowing granted from ADB loan | 5,817,103,395 | 5,554,015,135 |
| Branch of Vietnam National Textile and Garment Group – Vinatex Fashion Center | | |
| Sales of goods | 410,580,926 | 356,931,830 |
| Purchase of services | 119,269,695 | 105,246,437 |
| Subsidiaries of Vietnam National Textile and Garment Group | | |
| <i>Hoa Tho Textile and Garment Joint Stock Corporation</i> | | |
| Sales of goods and services | 68,471,316 | 71,670,515 |
| Purchase of services | 117,007,077 | 62,721,064 |
| <i>Phu Bai Spinning Mill Joint Stock Company</i> | | |
| Sales of goods | 408,316,749 | 301,643,880 |
| <i>Viet Tien Garment Joint Stock Corporation</i> | | |
| Purchase of goods | - | - |
| Purchase of machinery | - | 2,490,736,364 |
| <i>Hoa Tho Fashion Joint Stock Company</i> | | |
| Sales of goods and services | 529,988,897 | 587,456,914 |
| Purchase of goods | 83,062,171 | 60,917,993 |
| <i>Hanoi Textile Garment Joint Stock Corporation</i> | | |
| Sales of goods | - | 12,431,972 |
| Purchase of goods | - | 157,219,900 |
| <i>Dong Xuan Knitting One Member Limited Liability Company</i> | | |
| Sales of goods and services | 238,386,633 | 148,305,876 |
| Purchase of goods and services | 99,420,715 | 59,415,400 |
| <i>Vinatex Phu Hung Joint Stock Company</i> | | |
| Purchase of goods | 2,527,358,720 | - |

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| | Transaction value | |
|--|-------------------|---------------|
| | 2024 | 2023 |
| | VND | VND |
| Key management personnel compensation | | |
| Members of Board of Management | | |
| <i>Remuneration</i> | | |
| Mr. Nguyen Duc Tri – Chairman | 420,000,000 | 420,000,000 |
| Mr. Nguyen Van Phong – Member | 84,000,000 | 78,000,000 |
| Ms. Nguyen Hong Lien – Member | 84,000,000 | 78,000,000 |
| Mr. Le Hong Quan – Member | 84,000,000 | 63,000,000 |
| Mr. Nguyen Ngoc Binh – Member | 84,000,000 | 63,000,000 |
| Mr. Nguyen Ba Quang – Member <i>(until 26/4/2023)</i> | - | 140,000,000 |
| Mr. Ho Ngoc Lan – Member <i>(until 26/4/2023)</i> | - | 20,000,000 |
| Members of Board of Directors | | |
| <i>Salary and bonus</i> | | |
| Mr. Nguyen Van Phong – General Director | 1,541,564,000 | 1,448,850,000 |
| Mr. Ho Ngoc Lan – Deputy General Director | 783,402,602 | 1,037,570,715 |
| Mr. Le Hong Quan – Deputy General Director | 987,000,986 | 851,514,346 |
| Mr. Nguyen Tien Hau – Deputy General Director | 1,007,154,381 | 902,116,946 |
| Ms. Nguyen Hong Lien – Deputy General Director <i>(until 31/12/2024)</i> | 977,110,409 | 867,062,439 |
| Mr. Dao Van Tu – Executive Director | 838,262,695 | 752,736,799 |
| Ms. Tran Thi Thuan – Executive Director | 840,262,695 | 720,975,799 |
| Mr. Nguyen Ba Khanh Tung – Executive Director | 895,611,019 | 788,950,615 |
| Ms. Nguyen Khanh Chi – Chief Accountant | 753,191,822 | 737,417,261 |
| Members of Supervisory Board | | |
| <i>Remuneration, salary and bonus</i> | | |
| Ms. Phan Nu Quynh Anh - Head of Supervisory Board | 316,367,798 | 305,636,261 |
| Ms. Pham Thi Van Ha - Member | 80,100,000 | 98,650,000 |
| Mr. Ho Nam Phong - Member | 524,712,347 | 511,060,699 |
| Other transactions with key management personnel | | |
| | 2024 | 2023 |
| | VND | VND |
| Payment of cash dividends | 1,290,004,000 | 1,215,812,000 |
| Payment of share dividends | - | 972,610,000 |

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37. Non-cash financing activities

| | 2024 | 2023 |
|--|-------------|----------------|
| | VND | VND |
| Payment of share dividends | - | 48,715,580,000 |
| Increase in equity investment in other entities through share dividends from Phu Bai Spinning Mill Joint Stock Company in 2016 (adjusted according to the inspection results of the Ministry of Finance) | 439,560,000 | - |

38. Comparative information

Comparative information as at 1 January 2024 was derived from the balances and amounts reported in the Company's financial statements as at and for the year ended 31 December 2023.

12 March 2025

Prepared by:


Than Thi Kim Phung
General Accountant

Approved by:


Nguyen Khanh Chi
Chief Accountant


Nguyen Hong Lien
General Director



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Hue City, April 05, 2025

CONFIRMATION OF THE LEGAL REPRESENTATIVE



NGUYEN HONG LIEN